

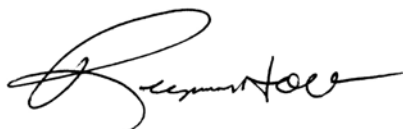
SECOND QUARTER 2009

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CERTIFICATION

The undersigned certify that we have reviewed the June 30, 2009 quarterly report of Farm Credit of Central 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.



Reginald T. Holt
Chief Executive Officer



D. Scott Fontenot
Chief Financial Officer



Lewis S. Stidham
Chairman of the Audit Committee

July 22, 2009

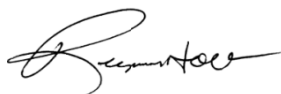
Report on Internal Control Over Financial Reporting

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. This process provides 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.

Internal control over financial reporting 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 June 30, 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 June 30, 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 June 30, 2009



Reginald T. Holt
Chief Executive Officer



D. Scott Fontenot
Chief Financial Officer

July 22, 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 Central Florida, ACA, (Association) for the period ended June 30, 2009. These comments should be read in conjunction with the accompanying financial statements, notes to the financial statements and the 2008 Annual Report of the Association. The accompanying consolidated financial statements were prepared under the oversight of the Audit Committee of the Board of Directors.

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 in our region, including horticulture, fruits/vegetables, citrus, 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, reduces the level of dependency on a given commodity.

June 30, 2009 compared to December 31, 2008

Loan volume of the Association as of June 30, 2009, was \$343,986, a decrease of \$78,445 as compared to \$422,431 at December 31, 2008. Net loans outstanding at June 30, 2009, were \$336,538 as compared to \$417,188 at December 31, 2008. The Association has investment securities that are classified as held to maturity in the amount of \$50,804 at June 30, 2009, as compared to \$50,376 at December 31, 2008. Net loans and investment securities accounted for 93.45 percent of total assets at June 30, 2009, as compared to 94.09 percent of total assets at December 31, 2008.

The Association has been able to positively grow its total servicing portfolio to \$1,003,211 as compared to \$974,836 at December 31, 2008 by increased lending activity to existing corporate and commercial customers. The decrease in net loan volume is primarily due to seasonal lending and increased loan participation sold activity. The short-term portfolio, which is heavily influenced by operating loans, normally reaches a peak balance between September and December and declines between January and June as strawberry and other winter vegetable growers pay down their loans using proceeds from the sale of their crops. The result of this normal seasonal lending activity causes net loan volume to decrease on

revolving credit lines. Due to internal hold limits on individual credits and/or commodities and capital and growth management initiatives, more loan volume has been sold through loan participations to various AgFirst participation pools resulting in participation sold volume to be increased by \$23,588.

June 30, 2009 compared to June 30, 2008

Loan volume of the Association as of June 30, 2009, was \$343,986, a decrease of \$27,187 as compared to \$371,173 at June 30, 2008. Net loans outstanding at June 30, 2009, were \$336,538 as compared to \$368,633 at June 30, 2008. The Association has investment securities that are classified as held to maturity in the amount of \$50,804 at June 30, 2009, as compared to \$41,386 at June 30, 2008. Net loans and investment securities accounted for 93.45 percent of total assets at June 30, 2009, as compared to 94.06 percent of total assets at June 30, 2008.

The Association has been able to positively grow its total servicing portfolio to \$1,003,211 as compared to \$944,011 at June 30, 2008 by increased lending activity to existing corporate and commercial customers. The decrease in net loan volume from period to period is primarily due to increased loan participation sold activity positively offset by increased lending activity to new and existing customers. Due to internal hold limits on individual credits and/or commodities and capital and growth management initiatives, more loan volume has been sold through loan participations to various AgFirst participation pools resulting in participation sold volume to be increased by \$46,317.

ASSET QUALITY AND LOAN LOSS RESERVES

There is an inherent risk in the extension of any type of credit. While credit administration remains satisfactory, portfolio credit quality has weakened as compared to prior periods, primarily in those loans secured by real estate and in the nursery industry. Acceptable credit quality as a percentage of total loan portfolio was 77.12% as of June 30, 2009 compared to 91.97% at December 31, 2008 and 94.29% at June 30, 2008. Nonaccrual loan volume was \$20,670 at June 30, 2009, compared to \$11,962 at December 31, 2008 and \$7,500 at June 30, 2008, an increase of \$8,708 and \$13,170, respectively. Majority of the increase is associated with residential lot loans, a large vegetable grower loan, several agricultural real estate loans, several loans in the nursery industry, and one participation purchased loan.

Association management maintains an allowance for loan losses in an amount considered sufficient to absorb possible losses in the loan portfolio based on current and expected future conditions. The allowance for loan losses at June 30, 2009, was \$7,448 compared to \$5,243 at December 31, 2008 and \$2,540 at June 30, 2008, and is considered by management to be adequate to cover possible losses. The allowance for loan loss is broken down between specific reserves assigned to an individual loan and general reserves which are available for the possible losses within the entire portfolio. The current allowance for loan loss at June 30, 2009 contains \$4,473 in specific reserves and \$2,975 in general reserves. The following outlines the allowance for loan loss activity as of June 30, 2009.

Allowance for Loan Losses Activity:	Q1 2009	Q2 2009	YTD 2009
Balance at beginning of period	\$ 5,243	\$ 6,538	
Charge-offs	(595)	(1,225)	(1,820)
Recoveries	0	0	0
Provisions/(Reversals)	1,890	2,135	4,025
Balance at end of period	<u>\$ 6,538</u>	<u>\$ 7,448</u>	

The increase in allowance for loan loss was a direct result of the increases in nonaccrual assets and the overall decline in credit quality of other performing assets. This increase in allowance was funded through an increase in the provision for loan losses, which was the primary cause for the significant decline in final net income.

RESULTS OF OPERATIONS

For the three months ended June 30, 2009

Net income for the three months ended June 30, 2009, totaled negative \$50, as compared to \$2,191 for the same period in 2008. The decrease of \$2,241 for the period is associated directly with the declining credit quality of the Association and is reflected in the earnings through increased provisions for loan loss and the loss of patronage income in the Capitalized Participation Pool (CPP) with AgFirst.

Net interest income decreased \$87 for the three months ended June 30, 2009, as compared to the same period in 2008. The primary reason for the decrease is the increase in non-performing assets coupled with the reduced interest rate environment as compared to the same time last year. Net interest income for the three months ending June 30, 2009 are shown in the following table:

Net Interest Income	For the three months Ended June 30,			
	2009	2008	\$ change	% change
Investment Interest Income	\$ 201	\$ 318	\$ (117)	(36.79)%
Loan Interest Income	5,040	6,360	(1,320)	(20.75)
Total Interest Income	5,241	6,678	(1,437)	(21.52)
Total Interest Expense	2,852	4,202	(1,350)	(32.13)
Net Interest Income	<u>\$ 2,389</u>	<u>\$ 2,476</u>	<u>\$ (87)</u>	<u>(3.51)%</u>

Provisions for loan losses for the quarter totaled \$2,135, as compared to \$460 for the same period last year. The increase in provisions was necessary to fund the increase required in the Association's allowance for loan losses which is the result of increased non-performing assets and declining credit quality. Provisions for loan losses for the three months ending June 30, 2009 are shown in the following table:

Provisions for Loan Losses	For the three months Ended June 30,			
	2009	2008	\$ change	% change
Provisions	\$ 2,135	\$ 460	\$ 1,675	364.13%
Reversals	0	0	0	0
Total Provisions/(Reversals)	<u>\$ 2,135</u>	<u>\$ 460</u>	<u>\$ 1,675</u>	<u>364.13%</u>

Noninterest income for the three months ended June 30, 2009, totaled \$1,744, as compared to \$2,106 for the same period of 2008, a decrease of \$362. The decrease is primarily the result of the decrease in Equity in Earnings of other Farm Credit Institutions. The Association's patronage earnings from the CPP with AgFirst were zero due to the pool's increased loan provisions exceeding the actual pool income. Noninterest income for the three months ending June 30, 2009 are shown in the following table:

Noninterest Income	For the three months Ended June 30,			
	2009	2008	\$ change	% change
Loan fees	\$ 332	\$ 368	\$ (36)	(9.78)%
Fees for financially related services	170	171	(1)	(0.58)
Equity in earnings from other Farm Credit Institutions	1,108	1,509	(401)	(26.57)
Gains (losses) on other property owned, net	(1)	(76)	75	98.68
Gains (losses) on sales of rural home loans, net	96	49	47	95.92
Other noninterest income	39	85	(46)	(54.12)
Total noninterest income	<u>\$ 1,744</u>	<u>\$ 2,106</u>	<u>\$ (362)</u>	<u>(17.19)%</u>

Noninterest expense for the three months ended June 30, 2009, increased \$117 compared to the same period of 2008. The primary reasons for the increase were increases in salary and employee benefits expenses and Insurance Fund premiums. The salary and employee benefits expense contains expenses for retirement that accounted for \$278 of the total increase in noninterest expense which is due to actuary market adjustments. The increase in Insurance Fund premiums is a result of increase premium costs and increased volumes in both performing and non-performing assets. Noninterest expense for the three months ending June 30, 2009 are shown in the following table:

Noninterest Expense	For the three months Ended June 30,			
	2009	2008	\$ change	% change
Salary and employee benefits	\$ 1,313	\$ 1,220	\$ 93	7.62%
Occupancy and equipment	181	182	(1)	(0.55)
Insurance Fund Premium	166	139	27	19.42
Other operating expenses	388	390	(2)	(0.51)
Total noninterest expense	\$ 2,048	\$ 1,931	\$ 117	6.06%

For the six months ended June 30, 2009

Net income for the six months ended June 30, 2009, totaled \$340, as compared to \$4,766 for the same period in 2008. The decrease of \$4,426 for the period is associated directly with the declining credit quality of the Association and is reflected in the earnings through increased provisions for loan loss and the loss of patronage income in the Capitalized Participation Pool (CPP) with AgFirst.

Net interest income decreased \$272 for the six months ended June 30, 2009, as compared to the same period in 2008. The primary reason for the decrease is the increase in non-performing assets coupled with the reduced interest rate environment as compared to the same time last year. Net interest income for the three months ending June 30, 2009 are shown in the following table:

Net Interest Income	For the six months Ended June 30,			
	2009	2008	\$ change	% change
Investment Interest Income	\$ 491	\$ 668	\$ (177)	(26.50)%
Loan Interest Income	10,659	13,452	(2,793)	(20.76)
Total Interest Income	11,150	14,120	(2,970)	(21.03)
Total Interest Expense	6,154	8,852	(2,698)	(30.48)
Net Interest Income	\$ 4,996	\$ 5,268	\$ (272)	(5.16)%

The effects of changes in average volume and interest rates on net interest income over the past six months are presented in the following table:

Change in Net Interest Income:

	Volume	Rate	Non-		Total
			accrual	Amortization	
<i>(dollars in thousands)</i>					
Change in NII	\$ 59	\$ (275)	\$ 1	\$ (57)	\$(272)

Provisions for loan losses for the year totaled \$4,025, as compared to \$1,060 for the same period last year. The increase in provisions was necessary to fund the increase required in the Association's allowance for loan losses which is the result of increased non-performing assets and declining credit quality. Provisions for loan losses for the six months ending June 30, 2009 are shown in the following table:

Provisions for Loan Losses	For the six months Ended June 30,			
	2009	2008	\$ change	% change
Provisions	\$ 4,025	\$ 1,060	\$ 2,965	279.72%
Reversals	0	0	0	0
Total Provisions/(Reversals)	\$ 4,025	\$ 1,060	\$ 2,965	279.72%

Noninterest income for the six months ended June 30, 2009, totaled \$3,424, as compared to \$4,320 for the same period of 2008, a decrease of \$896. The decrease is primarily the result of the decrease in Equity in Earnings of other Farm Credit Institutions. The Association's patronage earnings from the CPP with AgFirst were zero due to the pool's increased loan provisions exceeding the actual pool income. Noninterest income for the six months ending June 30, 2009 are shown in the following table:

Noninterest Income	For the six months Ended June 30,			
	2009	2008	\$ change	% change
Loan fees	\$ 605	\$ 730	\$ (125)	(17.12)%
Fees for financially related services	334	271	63	23.25
Equity in earnings from other Farm Credit Institutions	2,248	3,147	(899)	(28.57)
Gains (losses) on other property owned, net	(1)	(78)	77	98.72
Gains (losses) on sales of rural home loans, net	143	124	19	15.32
Other noninterest income	95	126	(31)	(24.60)
Total noninterest income	\$ 3,424	\$ 4,320	\$ (896)	(20.74)%

Noninterest expense for the six months ended June 30, 2009, increased \$293 compared to the same period of 2008. The primary reasons for the increase were increases in salary and employee benefits expenses and Insurance Fund premiums. The salary and employee benefits expense contains expenses for retirement that accounted for \$556 of the total increase in noninterest expense which is due to actuarial market adjustments. The increase in Insurance Fund premiums is a result of increase premium costs and increased volumes in both performing and non-performing assets. Noninterest expense for the six months ending June 30, 2009 are shown in the following table:

Noninterest Expense	For the six months Ended			
	June 30,			
	2009	2008	\$ change	% change
Salary and employee benefits	\$ 2,573	\$ 2,340	\$233	9.96%
Occupancy and equipment	352	341	11	3.23
Insurance Fund Premium	338	278	60	21.58
Other operating expenses	792	803	(11)	(1.37)
Total noninterest expense	\$ 4,055	\$ 3,762	\$293	7.79%

FUNDING SOURCES

The principal source of funds for the Association is the borrowing relationship established with 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 funds are advanced by the Bank 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 June 30, 2009, was \$332,168 as compared to \$412,134 at December 31, 2008 and \$351,005 at June 30, 2009. The decreases are attributable to paydowns on loans received during the normal course of business being greater than borrowings to fund new loan advances as well as the increased activity on participation sold loans.

CAPITAL RESOURCES

Total members' equity at June 30, 2009, decreased to \$76,013 from the December 31, 2008, total of \$76,339 and the June 30, 2008 total of \$76,592. The decreases are primarily attributed to the decrease in surplus resulting from the lower net income along with a small decrease in capital stock and participation certificates.

Total capital stock and participation certificates were \$1,273 on June 30, 2009, compared to \$1,298 on December 31, 2008 and \$1,317 on June 30, 2008. This decrease is attributed to the retirement of stock and participation certificates on loans liquidated in the normal course of business.

Farm Credit Administration 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 June 30, 2009, the Association's total surplus ratio and core surplus ratio were 15.74 percent and 10.94 percent, respectively, and the permanent capital ratio was 16.07 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. 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 Farm Credit Bank 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 1-800-533-2773, or writing D. Scott Fontenot, CFO, Farm Credit of Central Florida, ACA, P. O. Box 8009, Lakeland, FL 33802, or accessing the website, www.farmcreditfl.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 Central Florida, ACA

Consolidated Balance Sheets

<i>(dollars in thousands)</i>	June 30, 2009	June 30, 2008	December 31, 2008
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Assets			
Cash	\$ 19	\$ 11	\$ 36
Investment securities:			
Held to maturity (fair value of \$51,056, \$41,443 and \$50,540 respectively)	50,804	41,386	50,376
Total investment securities	50,804	41,386	50,376
Loans	343,986	371,173	422,431
Less: allowance for loan losses	7,448	2,540	5,243
Net loans	336,538	368,633	417,188
Accrued interest receivable	2,065	2,609	2,624
Investment in other Farm Credit institutions	16,456	14,235	14,043
Premises and equipment, net	1,060	1,028	1,032
Other property owned	736	602	504
Due from AgFirst Farm Credit Bank	2,105	3,147	6,017
Other assets	4,726	4,251	5,128
Total assets	\$ 414,509	\$ 435,902	\$ 496,948
Liabilities			
Notes payable to AgFirst Farm Credit Bank	\$ 332,168	\$ 351,005	\$ 412,134
Accrued interest payable	814	1,405	1,253
Patronage refund payable	56	92	2,648
Other liabilities	5,458	6,808	4,574
Total liabilities	338,496	359,310	420,609
Commitments and contingencies			
Members' Equity			
Protected borrower equity	33	56	39
Capital stock and participation certificates	1,240	1,261	1,259
Retained earnings			
Allocated	33,190	31,169	34,758
Unallocated	41,520	44,269	40,252
Accumulated other comprehensive income (loss)	30	(163)	31
Total members' equity	76,013	76,592	76,339
Total liabilities and members' equity	\$ 414,509	\$ 435,902	\$ 496,948

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

Farm Credit of Central Florida, ACA

Consolidated Statements of Operations

(unaudited)

<i>(dollars in thousands)</i>	For the three months ended June 30,		For the six months ended June 30,	
	2009	2008	2009	2008
Interest Income				
Investment securities	\$ 201	\$ 318	\$ 491	\$ 668
Loans	5,040	6,360	10,659	13,452
Total interest income	5,241	6,678	11,150	14,120
Interest Expense				
Notes payable to AgFirst Farm Credit Bank	2,852	4,202	6,154	8,852
Net interest income	2,389	2,476	4,996	5,268
Provision for (reversal of allowance for) loan losses	2,135	460	4,025	1,060
Net interest income after provision for (reversal of allowance for) loan losses	254	2,016	971	4,208
Noninterest Income				
Loan fees	332	368	605	730
Fees for financially related services	170	171	334	271
Equity in earnings of other Farm Credit institutions	1,108	1,509	2,248	3,147
Gains (losses) on other property owned, net	(1)	(76)	(1)	(78)
Gains (losses) on sale of rural home loans, net	96	49	143	124
Other noninterest income	39	85	95	126
Total noninterest income	1,744	2,106	3,424	4,320
Noninterest Expense				
Salaries and employee benefits	1,313	1,220	2,573	2,340
Occupancy and equipment	181	182	352	341
Insurance Fund premium	166	139	338	278
Other operating expenses	388	390	792	803
Total noninterest expense	2,048	1,931	4,055	3,762
Income (loss) before income taxes	(50)	2,191	340	4,766
Provision (benefit) for income taxes	—	—	—	—
Net income (loss)	\$ (50)	\$ 2,191	\$ 340	\$ 4,766

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

Farm Credit of Central 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	\$ 64	\$ 1,267	\$ 33,511	\$ 39,214	\$ (303)	\$ 73,753
Comprehensive income						
Net income				4,766		4,766
Employee benefit plans adjustments				(25)	140	115
Total comprehensive income						4,881
Protected borrower equity retired	(8)					(8)
Capital stock/participation certificates issued/(retired), net		(6)				(6)
Retained earnings retired			(2,178)			(2,178)
Patronage distribution adjustment			(164)	314		150
Balance at June 30, 2008	\$ 56	\$ 1,261	\$ 31,169	\$ 44,269	\$ (163)	\$ 76,592
Balance at December 31, 2008	\$ 39	\$ 1,259	\$ 34,758	\$ 40,252	\$ 31	\$ 76,339
Comprehensive income						
Net income				340		340
Employee benefit plans adjustments					(1)	(1)
Total comprehensive income						339
Protected borrower equity retired	(6)					(6)
Capital stock/participation certificates issued/(retired), net		(19)				(19)
Retained earnings retired			(1,135)			(1,135)
Patronage distribution adjustment			(433)	928		495
Balance at June 30, 2009	\$ 33	\$ 1,240	\$ 33,190	\$ 41,520	\$ 30	\$ 76,013

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

