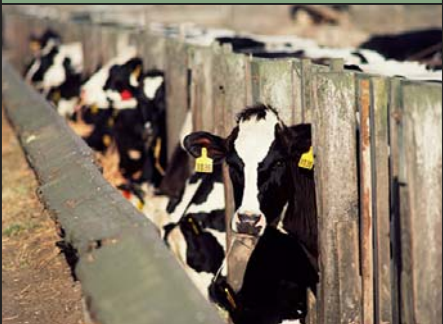




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MARK YOUR CALENDAR!

2008 Annual Stockholders' Meeting

Wednesday, May 7th

Radisson Hotel & Convention Center
(Fresno, CA)

See Page 4 for Details



PRESIDENT'S MESSAGE SPRING UPDATE

Traditionally, I have summarized the previous year's performance in our first quarter newsletter. We are pleased to say that nearly all of our customers, in spite of some difficult weather and generally dry conditions, had a solid year in 2007. We were as nervous as you were relative to the moisture situation in 2007 and going into the winter. Fortunately, Mother Nature has smiled on the Valley once again and 2008's rainfall is now looking much better than it did a few weeks ago.

We ended 2007 with 99.5% Acceptable loan quality which is an outstanding measurement of our customer's success. It is also a measurement of Fresno Madera Farm Credit's strength and staying power as our loan portfolio is our only income producing asset.

We are fortunate to have had zero acquired property again this year and only minimal non-accrual loans. Our capitalization, risk funds and liquidity remain among the strongest of the Farm Credit associations. The FMFC Board has taken a long term approach in strengthening our company by creating a strong financial foundation allowing us to be prepared for the next challenge and the next down cycle.

At year end, our volume was \$647 million which is an increase of \$43 million over the previous year. Our growth pattern continues and fortunately, so does our outstanding credit quality.

We also enjoyed another successful year relative to bringing in new business and new customers. In 2007, we added \$184 million in new money and over the last nine (9) years we have added \$1.22 billion. We have enjoyed higher and higher levels of new volume for eight (8) consecutive years, peaking at \$186 million in 2006. We were a few loan closings short of the record in 2007, but very close. Given the level of competition in our market in 2007, we feel very fortunate for the level of customers that choose FMFC.

The FLB subsidiary, which is about two thirds of our volume, held even in 2007 with enough new business to offset the annual principal retirement. Agricultural real estate values remain high and there has not been a great deal of activity.

The PCA subsidiary had a very strong growth year (16.89%) with year end volume over \$229 million; a level that many thought impossible. We remain committed to financing both sides of the business; the



Tom Brown
President & CEO

operational side (PCA) and the mortgage side (FLB) as our Board considers being a full service lender in our market to be the reason for our existence. For nine (9) years the Board and Management have committed to developing more PCA business. It has been a long, hard road to establish our PCA as a short term lender of choice for quality customers. We are

"We ended 2007 with 99.5% Acceptable loan quality which is an outstanding measurement of our customer's success."

very pleased to report significant progress; based on Acceptable loan volume from year end 1998 through 2007

continued



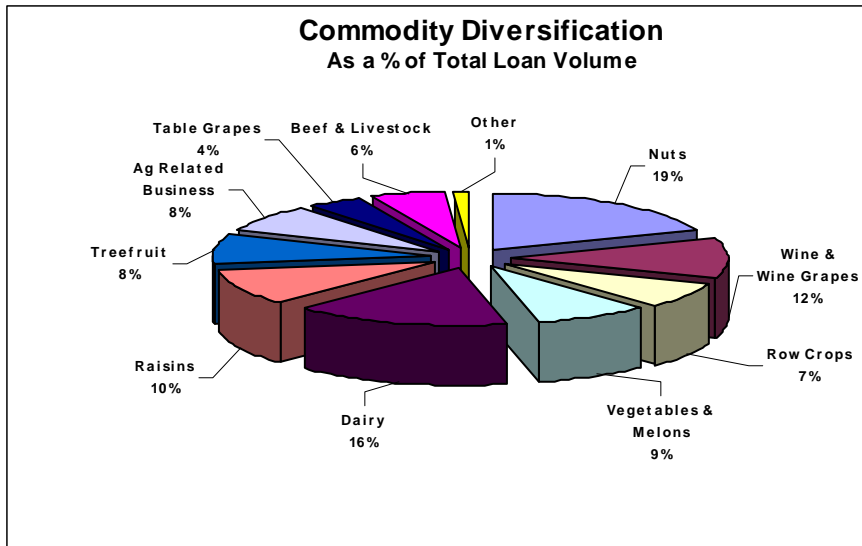
PRESIDENT'S MESSAGE — CONTINUED

the PCA has nearly tripled in size (283%)!

In addition to growth, today Fresno Madera Farm Credit's loan portfolio is more diversified than ever before. We strive to gain market share in four [4] market segments; short term operating loans, mortgage loans, agribusiness and loan participations. We are committed to developing new business in a broad geographical area. The major commodities we financed in 2007 and our diversification are shown in the graph below.

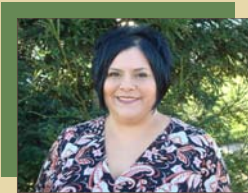
You can rest assured that Fresno Madera Farm Credit did not invest in any "subprime" mortgages or Real Estate Investment Trusts [REIT] that have devastated many huge lenders, impacting the World financial markets as well as local institutions. We have zero loan volume out to the ethanol industry which is struggling with fundamental issues. We don't get too fancy here at Fresno Madera Farm Credit and simply grow the business with a focus on being there for our customers for generations.

Everyday Fresno Madera Farm Credit, as a locally owned and managed lender, specializing in Ag financing here in the San Joaquin Valley, becomes more unique in a financial environment that sometimes confuses change with progress and size with efficiency. We remain committed to flexible yet solid lending solutions to meet the everyday needs of our customers with a focus on providing quality service to each customer.



"We don't get too fancy here at Fresno Madera Farm Credit and simply grow the business with a focus on being there for our customers for generations."

NEW FACES AT FMFC



Nora Andrade
Accounting Specialist
Loan Accounting



Patty Knoch
Portfolio Manager
Credit Delivery



Jennifer Martinez
Credit Support Specialist
Credit Delivery



Tonya McCann
Marketing & Event Coordinator
Administrative Services Unit



Jason Morehead
Credit Support Specialist
Credit Delivery



Halie Price
Accounting Assistant
Loan Accounting



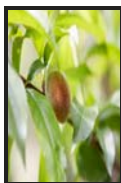
SPRING FIELD REPORT

RAISIN, WINE, AND TABLE GRAPES

Sufficient chill hours (November 1st through February 29th) seem to have occurred for this year's bloom. Timely rains in January and February also gave farmers hope for a good crop set this spring. Bud swell on the vines is just beginning, with minimal new growth observed. Pruning and tying is complete.

NUTS

The almond bloom is a little slow to start. The buds are swelling and high fruit bud counts have been seen. A wind storm came through and caused considerable tree loss throughout Northern California due to well saturated soil. Heavy losses were reported in a few orchards west of Madera. Near perfect weather patterns occurred in the Central Valley the last week of February allowing the bees to begin pollinating this year's late blooming almonds. Most farmers have their bloom spray rigs ready to go.



Pistachios and walnuts are still relatively dormant. Pruning and winter berm sprays appear to be complete.

DAIRY

During the last quarter of 2007, feed costs to the California dairyman grew considerably in proportion to the milk price. In 2008, feed costs continue to rise to never before seen levels while milk prices drop toward \$16.00 a hundredweight. Dairywomen who grow their own feed, maintain high production, and low debt levels will fare the best during this adjustment period.

Sunny weather has returned, allowing the dairies to dry out after the large storms that passed over the Valley in January and February.

TREE FRUIT

The early fruit is blooming and current weather conditions have been favorable for a good set. Dormant spray and pruning is completed on the later varieties.

COTTON

California planted cotton acreage for 2008 is predicted to drop again. In February, estimated Mid-West planting intentions for grain crops released caused the market to rally. It is doubtful that we will see an upsurge in planted acreage for California farmers.



It looks like Pima will once again be the favored variety, providing there is sufficient water available for our Valley's Westside.

HAY & GRAINS

Near the end of 2007, hay reports indicated California farm hay stocks were up by 100,000 tons over the previous year. Prices on premium alfalfa stacked hay have been reported to be around \$200 per ton.

Dairywomen are reporting they currently pay well above \$200 per ton

for premium hay.

Moisture for the 2008 grass season started out in a deficit. Recent rains have given a much needed moisture boost and the grass is starting to respond, especially on Westside grasslands.

Wheat planting is up with good stands being observed. Recent rains have provided good moisture and good growth. Wheat prices are showing very good strength. This has been helped by reports that the United States 2007 ending inventory of wheat is at a sixty year low.



Corn prices are still being boosted by ethanol buyers as mid-west grain farmers try to sort out planting intentions among corn, soybeans and wheat. Grain markets will continue to fluctuate as reports from around the globe come in about current crop conditions.

VEGETABLES

Onions for the fresh market are planted and just beginning to show a little green above ground. Spring onion acreage is expected to be down about 5 percent statewide.



Unseasonably cool temperatures may have had a slight affect on broccoli plant growth, but it is expected to be minimal.

Due to the threat of little or no water for summer irrigation practices, tomato processing prices have significantly increased for the 2008 crop with processors and growers agreeing on prices early this year.

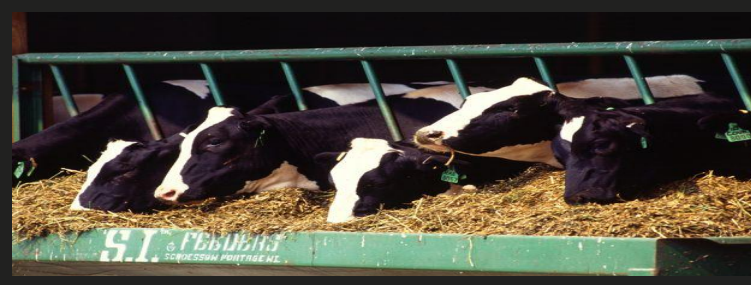
WATER AVAILABILITY

The latest snow report from the California Department of Water Resources indicates the San Joaquin River Basin is at 129 percent of average. Additionally, the rainfall to date is 115 percent of normal in Fresno. The CVP has an unofficial water allocation of 25 percent. It is hoped allocations will be increased as we move into spring. Late February rains in the Valley coupled with heavy snows in the Sierra's boost the outlook for summer water conditions and allocations.



The recent Judge Wanger ruling to protect the Delta smelt continues to cause great consternation for growers as they try to set their 2008 crop plans and budgets. State Wildlife Regulators have recently voted to include the Longfin Smelt on the protected list as well. By including the Longfin Smelt on the list, it appears there will be additional reductions in the pumping of water out of the Delta for homes and agriculture.

Fresno Madera Farm Credit
CONNECTION



OVER 90 YEARS OF PROVIDING SOLUTIONS TO AGRICULTURE

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Fresno, CA 93794-3069**

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**PLEASE JOIN US FOR
FMFC'S ANNUAL STOCKHOLDERS' MEETING
IT IS COMING UP ON MAY 7TH**

Mark your calendar for this elegant event. We will conduct the Director Elections, present Ag Youth Grant Awards, and at the end of the meeting a drawing will be held for a \$1,000 Travel Voucher (must be present to win). Invitations will be mailed in April. Please contact our Front Desk at (559) 277-7000 for additional information. We look forward to seeing you there!

CALENDAR

We will be closed on...

**March 21
Good Friday**

**May 7
12:00 p.m. - 5:00 p.m.
Annual Stockholders'
Meeting Preparations**

**May 26
Memorial Day**

**July 4
Fourth of July**

UPCOMING EVENTS

MARCH

- 11-14** Annual California Pistachio Conference
Monterey, CA
- 13** Wine Industry Symposium
San Luis Obispo, CA
- 19** CA Ag in the Classroom
Sacramento, CA
- 19** CA DHIA Annual Meeting
Coarsegold, CA

APRIL

- 4** Fresno County Farm & Nutrition Day
Fresno, CA
- 18-22** 80th Annual State FFA Leadership Conference
Fresno, CA
- 19-20** California Antique Farm Equipment Show
Tulare, CA

MAY

- 2** The Duarte Nursery Friends Day
Hughson, CA
- 4** 9th Annual MCFB Wine Tasting & Scholarship Event
Madera, CA
- 8** Fresno Bureau Banquet
Fresno, CA
- 15-18** Chowchilla-Madera County Fair
Chowchilla, CA

CONTACT US

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www.fmfarmcredit.com**

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