SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended March 31, 2002
Commission file number 0-1375

FARMER BROS. CO.

California	95-0725980
State of Incorporation	Federal ID Number
20333 S. Normandie Avenue, Torrance, California	90502
Registrant's Address	Zip

(310) 787-5200
Registrant's telephone number

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES [X] NO [ ]

Number of shares of Common Stock outstanding: 1,926,414 as of March 31, 2002.

PART I. FINANCIAL INFORMATION
Item 1. Financial Statements (Dollars in thousands, except per share data)

FARMER BROS. CO.
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	For the three months ended March 31,		For the nine months ended March 31,	
	2002	2001	2002	2001
Net sales	$51,298	$54,814	$155,453	$164,624
Cost of goods sold	16,512	18,401	50,761	57,277
	34,786	36,413	104,692	107,347
Selling expense	21,753	21,310	64,176	62,544
General and administrative expenses	3,190	3,221	9,496	8,699
	24,943	24,531	73,672	71,243
Income from operations	9,843	11,882	31,020	36,104
Other income:				
Dividend income	802	770	2,406	2,274
Interest income	1,540	3,204	5,951	9,404

Other, net	(1,683)	331	(193)	997
	659	4,305	8,164	12,675
Income before taxes	10,502	16,187	39,184	48,779
Income taxes	4,096	6,394	15,282	19,268
Income before cumulative effect of accounting cha	6,406	9,793	23,902	29,511
Cumulative effect of accounting change, net of income taxes	-	-	-	(310)
Net income	$6,406	$9,793	$23,902	$29,201
Income per common share:				
Before cumulative effect of accounting change	$3.47	$5.32	$12.95	$16.02
Cumulative effect of accounting change	-	-	-	($0.17)
Net income per share	$3.47	$5.32	$12.95	$15.85
Weighted average shares outstanding	1,846,388	1,843,497	1,845,501	1,842,868
Dividends declared per Share	$0.85	$0.80	$2.55	$2.40

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

FARMER BROS. CO.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 2002	June 30, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	$55,571	$19,362
Short term investments	226,880	243,818
Accounts and notes receivable, net	14,281	15,326
Inventories	36,190	35,780
Income tax receivable	1,783	2,991
Deferred income taxes	1,092	1,092
Prepaid expenses	897	510
Total current assets	336,694	318,879
Property, plant and equipment, net	38,649	39,094
Notes receivable	285	2,727
Other assets	27,402	26,432
Deferred income taxes	3,263	3,263
Total assets	$406,293	$390,395
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$2,128	$5,153
Accrued payroll expenses	4,402	6,421
Other	5,578	6,081
Total current liabilities	12,108	17,655
Accrued postretirement benefits	22,243	20,800
Other long term liabilities	4,892	4,892
	27,135	25,692
Commitments and contingencies	-	-
Shareholders' equity:		
Common stock, $1.00 par value, authorized 3,000,000 shares; 1,926,414 shares issued and outstanding	1,926	1,926
Additional paid-in capital	17,165	16,629
Retained earnings	360,629	341,434
Unearned ESOP shares	(12,670)	(12,941)
Total shareholders' equity	367,050	347,048
Total liabilities and shareholders' equity	$406,293	$390,395

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

FARMER BROS. CO.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the nine months ended March 31,	
	2002	2001
Cash flows from operating activities:		
Net income	$23,902	$29,201
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of accounting change	-	310
Depreciation	4,126	4,092
Deferred income taxes	-	1,763
Gain on sales of assets	(200)	(99)
ESOP compensation expense	1,622	875
Net loss (gain) on investments	654	(645)
Net unrealized loss on investments reclassified as trading	-	2,337
Change in assets and liabilities:		
Short term investments	16,284	(40,453)
Accounts and notes receivable	897	1,534
Inventories	(410)	1,164
Income tax receivable	1,208	-
Prepaid expenses and other assets	(1,358)	(1,906)
Accounts payable	(3,025)	681
Accrued payroll expenses and other current liabilities	(2,522)	(939)
Accrued post retirement benefits	1,443	1,158
Total adjustments	18,719	(30,128)
Net cash provided by (used in) operating activities	$42,621	($927)

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

FARMER BROS. CO
CONSOLIDATED STATEMENTS OF CASH FLOWS
(CONTINUED)
(Unaudited)

	For the nine months ended March 31,	
	2002	2001
Net cash provided by operating activities:	$42,621	($927)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(3,735)	(4,205)
Proceeds from sales of property, plant and equipment	254	167
Notes issued	(35)	(78)

Notes repaid	2,625	280
Net cash (used in) investing activities	(891)	(3,836)
Cash flows from financing activities:		
Dividends paid	(4,706)	(4,421)
ESOP contributions	(815)	(390)
Net cash used in financing activities	(5,521)	(4,811)
Net increase in cash and cash equivalents	36,209	(9,574)
Cash and cash equivalents at beginning of period	19,362	15,504
Cash and cash equivalents at end of period	55,571	5,930
Supplemental disclosure of cash flow information:		
Income tax payments	$14,095	$18,459

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

Notes to Consolidated Financial Statements (Unaudited)

Note 1. Unaudited Financial Statements

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine month period ended March 31, 2002 are not necessarily indicative of the results that may be expected for the year ended June 30, 2002.

The balance sheet at June 30, 2001 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in the Farmer Bros Co. annual report on Form 10-K for the year ended June 30, 2001.

Note 2. Investments

The following is a summary of trading investments (in thousands):

March 31, 2002	Cost	Net Gain or Loss	Fair Value
Corporate debt	$ 39,707	$ 30	$ 39,737
U.S. Treasury obligations	99,030	162	99,192
U.S. Agency obligations	30,000	(103)	29,897
Preferred stock	48,377	(182)	48,195
Other fixed income	8,208	(24)	8,184
Futures, options and other			

derivative investments	1,427	248	1,675
	$226,749	$ 131	$226,880

June 30, 2001	Cost	Net Gain or Loss	Fair Value
Corporate debt	$ 85,035	$ 80	$ 85,115
U.S. Treasury obligations	71,030	188	71,218
U.S. Agency obligations	31,852	106	31,958
Preferred stock	46,256	(2)	46,254
Other fixed income	8,014	(3)	8,011
Futures, options and other derivative investments	1,262	-	1,262
	$243,449	$369	$243,818

Note 3. Inventories
(In thousands)

March 31, 2002

	Processed	Unprocessed	Total
Coffee	$ 3,676	$10,683	$14,359
Allied products	11,790	4,956	16,746
Coffee brewing equipment	2,074	3,011	5,085
	$17,540	$18,650	$36,190

June 30, 2001

	Processed	Unprocessed	Total
Coffee	$ 4,120	$ 8,752	$12,872
Allied products	13,847	3,980	17,827
Coffee brewing equipment	2,201	2,880	5,081
	$20,168	$15,612	$35,780

Interim LIFO Calculations

An actual valuation of inventory under the LIFO method can be made only at the end of each year based on the inventory levels and costs at that time. Accordingly, interim LIFO calculations must necessarily be based on management's estimates of expected year-end inventory levels and costs. Because these are subject to many forces beyond management's control, interim results are subject to the final year-end LIFO inventory valuation.

Note 4. Comprehensive Income

(In thousands)

	For the three months ended March 31,		For the nine months ended March 31,	
	2002	2001	2002	2001
Net income	$6,406	$9,793	$23,902	$29,201
Unrealized investment gains, net	-	-	-	2,646
Total comprehensive income	$6,406	$9,793	$23,902	$31,847

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

Liquidity and Financial Condition

There have been no material changes in the Company's liquidity or financial condition since the year ended June 30, 2001.

	March 31, 2002	June 30, 2001
Current assets	$336,694	$318,879
Current liabilities	12,108	17,655
Working capital	$324,586	$311,224
Total assets	$406,293	$390,395

All present and future liquidity needs are expected to be met by internal sources. The company tries not to rely on banks or other third parties for its working capital and other liquidity needs. Our operations are often affected by the green coffee market. At present the cost of green coffee is comparatively low; but the market is volatile and green coffee prices could climb without warning requiring a substantial additional investment in inventory merely to maintain its existing level of business operations.

The board of directors has authorized financing of an initial loan to the ESOP of up to $30,000,000 for the purchase of company stock. The company has plans to purchase improved properties for certain of its branch warehouse locations, and where buildings are not available, has purchased land and developed the property itself. At present the company is completing the development of a branch warehouse in Victorville, CA. The company continues to seek out friendly acquisitions in its lines of business throughout the country. There are no acquisitions pending at this time.

Results of Operations

Net sales for the third quarter of fiscal 2002 decreased 6.4% to $51,298,000 as compared to $54,814,000 in the same period of fiscal 2001. Sales in the first 9 months of fiscal 2002 decreased 5.6% to $155,453,000 as compared to $164,624,000 in the first 9 months of fiscal 2001. We believe that continued weakness in the economy has affected our customers. Reportedly, business travel and entertainment have been reduced by the recession, and individuals have reduced their discretionary spending in restaurants which the Company believes accounts for most of the decrease in sales volume in the first three quarters of fiscal 2002 as compared to the same period of the prior fiscal year.

Cost of goods sold decreased 10.3% to $16,512,000, or 32% of sales in the quarter ended March 31, 2002 from $18,401,000 or 34% of sales in the same quarter of fiscal 2001. Cost of goods sold decreased 11.4% to $50,761,000 or 33% of sales in the first three quarters of fiscal 2002 as compared to $57,277,000 or 35% of sales in the same period of fiscal 2001. The average cost of green coffee has continued to decline through the current fiscal year, and at March 31, 2002 is approximately 22% below the March 31, 2001 cost. Gross profit decreased 4.5% to $34,786,000 or 68% of sales for the fiscal quarter just ended as compared to $36,413,000, or 66% of sales, in the same period of fiscal 2001. Gross profit for the 2002 fiscal year to date decreased 2.4% to $104,692,000 or 67% of sales as compared to $107,347,000 or 65% of sales in the same period of fiscal 2001.

Selling and General and Administrative Expenses (Operating Expenses) increased 1.7% to $24,943,000 or 49% of sales in the quarter ended March 31, 2002 as compared to $24,531,000 or 45% of sales in the comparable quarter of the prior fiscal year. Similarly, year to date Operating Expenses increased 3.4% to $73,672,000 or 47% of sales in fiscal 2002 as compared to $71,243,000 or 43% of sales in fiscal 2001. This increase is primarily the result of higher pension costs ($1,000,000), ESOP expenses ($800,000) and employee medical expenses ($700,000).

Upon adoption of SFAS 133, on July 1, 2000, the Company transferred all of its investments classified as "available for sale" at June 30, 2000 into the "trading" category. Accordingly, the Company recognized the accumulated unrealized loss of $3,894,000 in the consolidated statement of net income for the period ended December 31, 2000 as other income.

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities-An Amendment of FASB Statement 133." The adoption of Statement Nos. 133 and 138 on July 1, 2001 resulted in a cumulative effect of an accounting change of $515,000 ($310,000 net of taxes) being recognized in the Statement of Net Income.

Other income decreased 84.7% in the three months ended March 31, 2002 to $659,000 from $4,305,000 in the like period of the prior fiscal year. Other income for the nine months ended March 31, 2002 decreased 35.6% to $8,164,000 as compared to $12,675,000 in the same period of the prior fiscal year. This decline is primarily the result of reduced interest income ($1,664,000 for the quarter and $3,453,000 year to date as compared to the results from similar periods of the prior fiscal year) in addition to both realized and unrealized losses on investments and interest rate futures and options ($1,990,000 for the quarter and $1,297,000 year to date as compared to the results from similar periods of the prior fiscal year). This is a consequence of lower interest rates.

During the first nine months of fiscal 2002, the Company had realized and unrealized gains (losses) on securities of approximately $(416,000) and $(238,000), respectively, as compared to realized and unrealized gains (losses) on securities of approximately $(1,559,000) and $1,475,000, respectively, in the same period of fiscal 2001. Lower interest rates in the current fiscal year have resulted in a lesser amount of interest earned. Interest earned decreased 52% to $1,540,000 as compared to $3,204,000 in the quarters ended March 31, 2002 and 2001, respectively, and decreased 37% to $5,951,000 as compared to $9,404,000 for the first nine months of fiscal 2002 and 2001, respectively.

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," and in August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." The Company does not believe that the implementation of these standards will have a significant effect on the financial statements.

Quarterly Summary of Results
(In thousands of dollars)

	3/31/01	6/30/01	9/30/01	12/31/01	3/31/02
Net sales	$54,814	$50,807	$49,400	$54,755	$51,298
Gross profit	36,413	34,053	32,569	37,337	34,786
Income from operations	11,882	6,011	9,286	11,891	9,843
Net income	9,793	6,977	7,763	9,733	6,406
Net income per share	$5.32	$3.78	$4.21	$5.27	$3.47

Market Risk Disclosures
Financial Markets

We are exposed to market value risk arising from changes in interest rates on our securities portfolio. Our portfolio of investment grade money market instruments includes discount commercial paper, medium term notes, federal agency issues and treasury securities. As of March 31, 2002 over 45% of these funds were invested in instruments with maturities shorter than 90 days. This portfolio's interest rate risk is not hedged and its average maturity is approximately 140 days. A 100 basis point increase in the general level of interest rates would result in a change in the market value of the portfolio of approximately ($2,130,000).

Our portfolio of preferred securities includes investments in derivatives that provide a natural economic hedge of interest rate risk. We review the interest rate sensitivity of these securities and (a) enter into "short positions" in futures contracts on U.S. Treasury securities or (b) hold put options on such futures contracts in order to reduce the impact of certain interest rate changes on such preferred stocks. Specifically, we attempt to manage the risk arising from changes in the general level of interest rates. We do not transact in futures contracts or put options for speculative purposes.

The following table demonstrates the impact of varying interest rate changes based on the preferred stock holdings, futures and options positions, and market yield and price relationships at March 31, 2002. This table is predicated on an instantaneous change in the general level of interest rates and assumes predictable relationships between the prices of preferred securities holdings, the yields on U.S. Treasury securities and related futures and options.

Interest Rate Changes
(In thousands)

	Market Value of March 31, 2002			Change in Market
	Preferred Stock	Futures & Options	Total Portfolio	Value of Total Portfolio
- -200 basis points ("b.p.")	$55,948	$1	$55,949	$5,551
- -100 b.p.	52,377	162	52,539	2,142
Unchanged	48,195	2,203	50,398	0
+100 b.p.	44,030	6,119	50,149	-249
+200 b.p.	40,176	9,495	49,671	-727

The number and type of future and option contracts entered into depends on, among other items, the specific maturity and issuer redemption provisions for each preferred stock held, the slope of the Treasury yield curve, the expected volatility of Treasury yields, and the costs of using futures and/or options.

Commodity Price Changes

We are exposed to commodity price risk arising from changes in the market price of green coffee. We price our inventory on the LIFO basis. In the normal course of business, we enter into commodity purchase agreements with suppliers and we purchase green coffee contracts.

The following table demonstrates the impact of changes in the price of green coffee on inventory and green coffee contracts at March 31, 2002. It assumes an immediate change in the price of green coffee, and the valuations of coffee index futures and put options and relevant commodity purchase agreements at March 31, 2002.

Commodity Risk Disclosure
(In thousands)

Coffee Cost Change	Coffee Inventory	Market Value of March 31, 2002 Futures & Options	Totals	Change in Market Value Derivatives	Inventory
-10%	$12,923	$581	$13,504	$716	($1,436)
unchanged	14,359	(135)	14,224	-	-
10%	15,795	(851)	14,944	(716)	1,436

At March 31, 2002 the derivatives consisted mainly of commodity futures and commodity purchase agreements with maturities shorter than three months.

PART II OTHER INFORMATION

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 10, 2002 Farmer Bros. Co.
(Registrant)

/s/ John E. Simmons
John E. Simmons
Treasurer and
Chief Financial Officer