SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 1995

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

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Name on each exchange on which registered
Common stock, $1.00 par value	OTC

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, $1.00 par value, outstanding as of August 31, 1995: 1,926,414 and the aggregate market value of the common shares held by non-affiliates of the Registrant was approximately $124 million.

Documents Incorporated by Reference

Certain portions of the Registrant's definitive Proxy Statement to be filed pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended, in connection with the Annual Meeting of Shareholders of the Registrant to be held on November 27, 1995 are incorporated by reference into Part III of this report.

PART I

Item 1. Business

General: Farmer Bros. Co. (the Company or Registrant) was incorporated in California in 1923, and is engaged in the production and sale of coffee, spices and a variety of allied products to the institutional food service industry.

Raw Materials and Supplies: Coffee is the largest product in the line and is responsible for approximately 63% of corporate revenues. Purchasing, roasting and packaging coffee takes place at Registrant's Torrance plant, which is also the distribution hub for its branches.

Green coffee is purchased through domestic commodity brokers. Agricultural commodities are subject to fluctuations of both price and supply. Registrant has not been confronted by shortages in the supply of green coffee, but has been faced with price fluctuations.

Trademarks & Patents: Registrant owns approximately 23 registered U.S. trademarks which are integral to customer identification of its products. It is not possible to assess the impact of the loss of such identification.

Seasonality: Registrant experiences some seasonal influences. The winter months are the best sales months. Registrant's product line and geographic diversity provides some sales stability during the summertime decline in coffee consumption during the warmer months.

Distribution: Registrant's products are distributed by its selling divisions from 96 branches located in most urban centers in the western states. The diversity of the product line (over 300 products) and size of the area served requires each branch to stock a sizable inventory. Registrant maintains its own trucking fleet to better control the supply of these warehouses.

Customers: No single customer represents a large enough portion of sales to have a material effect on Registrant. The customer contact and service quality which is integral to Registrant's sales effort is often secondary to product pricing for customers with their own distribution systems.

Competition: Registrant faces competition from many sources, including multi-national firms like Procter and Gamble, Nestle and Philip Morris, grocery distributors like Sysco and Rykoff-Sexton and regional roasters like Boyd Coffee Co., Lingle Bros. and Royal Cup.

Registrant has some competitive advantages due to its longevity, strong regional roots and sales and service force. Registrant's customer base is price sensitive and the Company is often faced with price competition.

Working Capital: Registrant makes every effort to finance operations internally. Management believes that working capital from internal sources will be adequate for the coming year. Registrant maintains a $50,000,000 line of credit with First Interstate Bank of California. There is no commitment fee or compensating balance requirement and the line was not used in fiscal 1995.

Item 1. Business, Continued

Foreign Operations: Registrant has no material revenues that result from foreign operations. Coffee brewing equipment is sold through distributors in Canada and Japan and manufactured in Europe under license.

Other: On June 30, 1995, Registrant employed 1,172 employees, 486 are subject to collective bargaining agreements.

There have been no material effects of compliance with government provisions regulating discharge of materials into the environment.

The nature of Registrant's business does not provide for maintenance of or reliance upon a sales backlog.

Item 2. Properties

Registrant's largest facility is the 474,000 sq. ft. roasting plant, warehouses and administrative offices in Torrance, California. Registrant believes the existing plant will continue to provide adequate production capacity for the foreseeable future.

Item 3. Legal Proceedings

Registrant is a defendant in various legal proceedings incidental to its business which are ordinary and routine. It is management's opinion that the resolution of these lawsuits will have no material financial impact on the Company.

Item 4. Submission of Matters to A Vote of Security Holders

None.

PART II

Item 5. Market for Registrant's Common Equity and Related Shareholder Matters

Registrant has one class of common stock which is traded in the over the counter market. The bid prices indicated below are as reported by NASDAQ and represent prices between dealers, without including retail mark up, mark down or commission, and do not necessarily represent actual trades.

	1995			1994		
	High	Low	Dividend	High	Low	Dividend
1st Quarter	$134.00	$123.00	$ 0.50	$156.00	$145.00	$ 0.50
2nd Quarter	132.00	120.00	0.50	156.00	134.00	0.50
3rd Quarter	130.00	117.00	0.50	151.00	126.00	0.50
4th Quarter	132.00	120.00	0.50	148.00	123.00	0.50

There were 654 holders of record on June 30, 1995.

Item 6. Selected Financial Data
(Dollars in thousands, except per share data)

	1995	1994	1993
Net sales	$234,662	$193,861	$190,679
Income from operations	25,235	9,488	29,929
Net income	19,517	10,330	18,950*
Net income per share	$10.13	$5.36	$9.84*
Total assets	$244,340	$219,903	$216,266
Dividends declared per share	$2.00	$2.00	$1.80

	1992	1991
Net sales	$197,312	$196,232
Income from operations	27,494	28,016
Net income	20,226	21,394
Net income per share	$10.50	$11.11
Total assets	$190,714	$171,361
Dividends declared per share	$1.60	$1.40

* Includes the cumulative impact of adopting Statement of Financial Accounting Standards Nos. 109 ("SFAS 109"), "Accounting for Income Taxes" and 106 ("SFAS 106"), "Employers' Accounting for Postretirement Benefits Other Than Pensions" as of July 1, 1992, which reduced net income for the year ended June 30, 1993 by approximately $5,294,000 or $2.75 per share. (See Notes F and G to Consolidated Financial Statements)

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Liquidity and Capital Resources

Registrant continues to maintain a strong working capital position, and management believes cash requirements for the coming year will be provided by internal sources. Registrant has no major commitments for capital expenditures at this time. Construction of a new laboratory building in its Torrance compound will be completed this fall at an estimated cost of $2.5 million. The Company also has a branch warehouse nearing completion in Austin, Texas with a cost of $725,000 and expects to start construction of a similar facility in Memphis, Tennessee.

The Company maintains a $50 million line of credit with First Interstate Bank of California. There was no bank debt incurred during fiscal 1995.

	1995	1994	1993
		(Dollars in thousands)	
Current assets	$149,806	$103,375	$155,148
Current liabilities	18,724	12,488	15,269
Working capital	$131,082	$ 90,887	$139,879
Quick ratio	5.73:1	4.76:1	7.77:1
Capital Expenditures	$ 9,085	$ 6,658	$ 5,388

Results of Operations

The volatile green coffee market continues to effect Registrant. Green coffee costs soared last year as Brazil, the world's largest coffee producer, sustained frost damage to the coffee crop. Speculation about the extent of crop losses spurred green coffee costs to eight year highs. Higher green coffee costs have been passed on to Registrant's customers with higher selling prices of roast coffee, but higher prices result in lower sales volume and customer resistance to higher prices result in smaller margins.

Net sales increased 21% to $234,662,000 in 1995 as compared to $193,861,000 in 1994 as the result of higher roast coffee prices, offset by a 7% decrease in coffee volume. Gross profit increased to $112,899,000 in 1995, or 48% of sales, compared to $94,295,000, or 49% of sales, in 1994. This is still less than the $114,258,000 gross profit, or 60% of sales, reached in fiscal 1993. Other expenses increased 3% to $87,664,000 in 1995 from $84,807,000 in 1994 and $84,329,000 in 1993.

Income before taxes increased to $31,284,000 or 13% of sales in 1995, as compared to $16,689,000 or 9% of sales in 1994 and $39,538,000 or 21% of sales in 1993. 1994 earnings were depressed by a volatile increase in green coffee market costs. Net income for fiscal 1995 reached $19,517,000, or $10.13 per share, as compared to $10,330,000, or $5.36 per share, in 1994 and $18,950,000, or $9.84 per share, in 1993.

Registrant adopted the provisions of Statement of Financial Accounting Standards No. 115 ("SFAS 115"), "Accounting for Certain Investments in Debt and Equity Securities" during the first quarter of fiscal 1995. In accordance with SFAS 115, prior period financial statements have not been restated. The adoption of SFAS 115 did not have a significant effect upon the Company's financial condition or results of operation.

	1995	1994	1993*
Income per share:			
Before accounting changes	$10.13	$ 5.36	$12.59
Cumulative effect of accounting changes	-	-	(2.75)
Net income per share	$10.13	$ 5.36	$ 9.84

Percentage change:

	1995 to 1994	1994 to 1993
Net sales	21.1%	1.7%
Cost of goods sold	22.3%	30.3%
Gross profit	19.7%	(17.5%)
Operating expenses	3.4%	0.6%
Income from operations	166.0%	(68.3%)
Provision for income taxes	85.0%	(58.4%)
Income before accounting changes	88.9%	(57.4%)
Net income	88.9%	(45.5%)

* The Company adopted SFAS 106 and SFAS 109 in 1993.

Change in Earnings Per Share

A summary of the change in earnings per share, which highlights factors discussed earlier, is as follows:

	Per Share Earnings 1995 vs. 1994	Per Share Earnings 1994 vs. 1993
Coffee: Prices	$24.11	$ 1.66
Volume	(4.08)	(2.02)
Cost	(10.27)	(11.10)
Gross Profit	9.76	(11.46)
Allied products: Gross Profit	(0.10)	1.10
Operating expenses	(1.48)	(0.25)
Other income	(0.60)	(1.25)
Provision for income taxes	(2.81)	4.63
Income before accounting changes	4.77	(7.23)
Cumulative effect of accounting changes*	-	2.75
Net income	$4.77	$(4.48)

* The Company adopted SFAS 106 and SFAS 109 in 1993.

Price Risk

The Company's operations are significantly impacted by the world market for green coffee, its largest product. Coffee is an agricultural product and fundamental shifts in supply or demand can have a dramatic effect on its price. Coffee is traded domestically on the New York Coffee Tea and Cocoa Exchange, and is one of the largest and most volatile commodity markets. At present, the Company manages its exposure to price risk by managing its inventory level. Registrant is unable to predict either the direction or duration of coffee price swings, and cautions against using past results to predict future results.

Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders
of Farmer Bros. Co. and Subsidiary

We have audited the consolidated financial statements of Farmer Bros. Co. and Subsidiary ("the Company") as listed in Item 14(a) of this Form 10-K. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of June 30, 1995 and 1994, and the consolidated results of its operations and its cash flows for each of the three years in the period ended June 30, 1995 in conformity with generally accepted accounting principles.

As discussed in Notes B, F and G to the consolidated financial statements, the Company changed its methods of accounting for certain investments in debt and equity securities in 1995 and for postretirement benefits other than pensions and income taxes in 1993.

Coopers & Lybrand L.L.P.

Los Angeles, California
September 22, 1995

FARMER BROS. CO.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	June 30, 1995	June 30, 1994
ASSETS		
Current assets:		
Cash and cash equivalents	$ 8,321	$ 8,681
Short term investments	80,530	34,839
Accounts and notes receivable, net	18,481	15,975
Inventories	36,761	34,910
Income tax receivable	1,265	5,357
Deferred income taxes	3,577	2,905
Prepaid expenses	871	708
Total current assets	149,806	103,375
Property, plant and equipment, net	33,213	28,943
Notes receivable	1,880	1,257
Long term investments, net	43,337	71,960
Other assets	15,887	13,649
Deferred income taxes	217	719
Total assets	$244,340	$219,903
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 9,408	$ 3,372
Accrued payroll expenses	4,711	4,573
Other	4,605	4,543
Total current liabilities	18,724	12,488
Accrued postretirement benefits	11,505	10,010
Commitments and contingencies		
Shareholders' equity:		
Common stock, $1.00 par value, authorized 3,000,000 shares, issued and outstanding 1,926,414 shares	1,926	1,926
Additional paid-in capital	568	568
Retained earnings	211,619	195,955
Investment valuation allowance	(2)	(1,044)
Total shareholders' equity	214,111	197,405
Total liabilities and shareholders' equity	$244,340	$219,903

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

FARMER BROS. CO.
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands, except per share data)

	For the Years Ended June 30, 1995	1994	1993
Net sales	$234,662	$193,861	$190,679
Cost of goods sold	121,763	99,566	76,421
	112,899	94,295	114,258
Selling expense	76,313	74,534	73,331
General and administrative expense	11,351	10,273	10,998
	87,664	84,807	84,329
Income from operations	25,235	9,488	29,929
Other income (expense):			
Dividend income	2,459	1,352	1,227
Interest income	4,403	3,630	4,397
Other, net	(813)	2,219	3,985
	6,049	7,201	9,609
Income before taxes and cumulative effect of accounting changes	31,284	16,689	39,538
Provision for income taxes	11,767	6,359	15,294
Income before cumulative effect of accounting changes	19,517	10,330	24,244
Cumulative effect of accounting changes, net of income taxes	-	-	5,294
Net income	$ 19,517	$ 10,330	$ 18,950
Income per share:			
Before accounting changes	$10.13	$5.36	$12.59
Cumulative effect of accounting changes	-	-	(2.75)
Net income per share	$10.13	$ 5.36	$ 9.84

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

FARMER BROS. CO.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	For the years ended June 30,		
	1995	1994	1993
Cash flows from operating activities:			
Net income	$19,517	$10,330	$18,950
Adjustments to reconcile net income to net cash provided by operating activities:			
Cumulative effect of accounting changes	-	-	5,294
Depreciation	4,677	5,219	5,216
Deferred income taxes	(170)	698	466
Other	(47)	(63)	(67)
Net (gain) loss on investments	1,384	(1,758)	(3,552)
Change in assets and liabilities:			
Short term investments	-	5,207	(18,145)
Accounts and notes receivable	(2,460)	(2,571)	986
Inventories	(1,851)	(2,577)	(913)
Income tax receivable	4,092	(5,357)	-
Prepaid expenses and other assets	(2,401)	(2,320)	(1,986)
Accounts payable	6,036	(3,188)	1,593
Accrued payroll expenses and other liabilities	200	407	(400)
Other long term liabilities	1,495	985	895
Total adjustments	10,955	(5,318)	(10,613)
Net cash provided by operating activities	$30,472	$ 5,012	$ 8,337

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

FARMER BROS. CO
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	For the Years Ended June 30,		
	1995	1994	1993
Net cash provided by operating activities:	$ 30,472	$ 5,012	$ 8,337
Cash flows from investing activities:			
Purchases of property, plant and equipment	(9,085)	(6,658)	(5,388)
Proceeds from sales of property, plant and equipment	266	259	251
Purchases of investments	(164,754)	(88,069)	(24,333)
Proceeds from sales of investments	147,263	37,045	62,671
Notes issued	(760)	(832)	(14)
Notes repaid	91	1,035	237
Net cash (used in) provided by investing activities	(26,979)	(57,220)	33,424
Cash flows from financing activities:			
Dividends paid	(3,853)	(3,853)	(3,371)
Net cash used in financing activities	(3,853)	(3,853)	(3,371)
Net increase (decrease) in cash and cash equivalents	(360)	(56,061)	38,390
Cash and cash equivalents at beginning of year	8,681	64,742	26,352
Cash and cash equivalents at end of year	$ 8,321	$ 8,681	$64,742

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

FARMER BROS. CO.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Dollars in thousands, except per share data)

	For the Years Ended June 30,		
	1995	1994	1993
Common stock	$ 1,926	$ 1,926	$ 1,926
Additional paid-in capital	568	568	568
Retained earnings			
Beginning balance	195,955	189,478	174,766
Net income for the year	19,517	10,330	18,950
Dividends	(3,853)	(3,853)	(4,238)
Ending balance	211,619	195,955	189,478
Investment valuation allowance			
Beginning balance	(1,044)	-	-
Adjustment	1,042	(1,044)	-
Ending balance	(2)	(1,044)	-
Total shareholders' equity	$214,111	$197,405	$191,972
Dividends declared per share	$2.00	$2.00	$1.80

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

Notes to Consolidated Financial Statements

A. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary FBC Finance Company. All significant intercompany balances and transactions have been eliminated.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of 30 days or less when purchased to be cash equivalents, which approximate market.

Investments

The Company adopted Statement of Financial Accounting Standards No. 115 (SFAS 115), Accounting for Certain Investments in Debt and Equity Securities, as of July 1, 1994. SFAS 115 specifies the accounting treatment of the Company's investments based on investment classifications defined in the statement. The Company's investments have been recorded at fair value and in accordance with SFAS 115 have been classified as "available for sale". Any unrealized gains or losses on such investments at June 30, 1995 have been recorded as a separate component of shareholders' equity (Note B).

As required by SFAS 115, prior year financial statements have not been restated. Therefore, investments in marketable equity securities as of June 30, 1994 are carried at the lower of cost or market. Other investments as of June 30, 1994 are carried at amortized cost which approximate market. A valuation allowance as of June 30, 1994 is included in shareholders' equity that represents any net unrealized loss from non-current investments.

The cost of investments sold is determined on the specific identification method. Dividend and interest income is accrued as earned.

Inventories

Inventories are valued at the lower of cost or market. Costs of coffee and allied products are determined on the Last In, First Out (LIFO) basis. Costs of coffee brewing equipment manufactured are accounted for on the First In, First Out (FIFO) basis.

In the normal course of business, the Company enters into commodity purchase agreements with suppliers and futures contracts to minimize exposure to inventory price fluctuations. Decreases in the market value of the commodity purchase agreements, if any, are recognized in earnings currently. In the event of non-performance by the counterparties, the Company could be exposed to credit and supply risk. The Company monitors the financial viability of the counterparties. Futures contracts not designated as hedges are marked to market and changes are recognized in earnings currently.

A. Summary of Significant Accounting Policies, Continued

Property, Plant and Equipment
Property, plant and equipment is carried at cost, less accumulated depreciation. Depreciation of buildings and facilities is computed using the straight-line method. Other assets are depreciated using the sum-of-the-years' digits and straight line methods. The following useful lives are used:

Buildings and facilities	10 to 30 years
Machinery and equipment	3 to 5 years
Office furniture and equipment	5 years

When assets are sold or retired the asset and related depreciation allowance is eliminated from the records and any gain or loss on disposal is included in operations. Maintenance and repairs are charged to expense, betterments are capitalized.

Income Taxes
Deferred income taxes are determined based on the difference between the financial reporting and tax bases of assets and liabilities, using enacted tax rates in effect for the year in which differences are expected to reverse.

B. Investments

	1995		1994	
	Cost	Fair Value*	Cost	Market
	(In thousands)			
Current Assets				
U.S. Government Obligations	$80,608	$80,530	$34,839*	$34,924
	$80,608	$80,530	$34,839	$34,924
Non-Current Assets				
U.S. Government Obligations	$ 8,617	$ 8,610	$39,599*	$38,621
Corporate bonds	1,599	1,569	1,799*	1,796
Preferred stocks	30,456	31,896	28,260	27,216*
Liquid asset fund and other	1,262	1,262	3,346*	3,346
	$41,934	$43,337	$73,004	$70,979

* carrying value

The contractual maturities of debt securities classified as current and non-current available for sale are the following.

	Fair Value	
Maturities	6/30/95	6/30/94
	(In thousands)	
Within one year	$80,530	$34,924
After 1 year through 5 years	8,610	38,621
After 5 years through 10 years	1,569	1,796
	$90,709	$75,341

B. Investments, Continued

Effective July 1, 1994, the Company adopted SFAS 115. As of June 30, 1995 all investments held by the Company were classified as available for sale. The gross unrealized gains and (losses) on securities classified as available for sale were $1,732,000 and ($407,000), respectively, in 1995. Gross realized gains from available for sale securities were $1,857,000.

The Company hedges interest rate risk in its portfolio of preferred stock. As of June 30, 1995, a substantial portion of the preferred stock portfolio was hedged with put options on US Treasury futures traded on a national exchange. Deferred losses at June 30, 1995, associated with the hedge were $1,329,000. Such deferred losses will be recognized in other income as the related unrealized gains in the preferred stock portfolio are realized.

C. Allowance for Doubtful Accounts and Notes Receivable

	1995	1994	1993
		(In thousands)	
Balance at beginning of year	$445	$530	$614
Additions	527	184	339
Deductions	(427)	(269)	(423)
Balance at end of year	$545	$445	$530

D. Inventories

June 30, 1995	Processed	Unprocessed	Total
		(In thousands)	
Coffee	$ 3,093	$10,809	$13,902
Allied products	11,308	4,096	15,404
Coffee brewing equipment	2,120	5,335	7,455
	$16,521	$20,240	$36,761

June 30, 1994	Processed	Unprocessed	Total
Coffee	$ 3,182	$10,829	$14,011
Allied products	10,395	3,022	13,417
Coffee brewing equipment	1,712	5,770	7,482
	$15,289	$19,621	$34,910

Current cost of coffee and allied products inventories exceeds the LIFO cost by approximately $30,246,000, and $6,700,000 as of June 30, 1995 and 1994, respectively.

For the year ended June 30, 1995, a decrease in the Company's green coffee inventories resulted in a LIFO decrement which increased current year pre-tax income by approximately $1,008,000.

E. Property, Plant and Equipment

	1995	1994
	(In thousands)	
Buildings and facilities	$26,902	$23,760
Machinery and equipment	43,099	46,237
Office furniture and equipment	8,362	2,217
	78,363	72,214
Accumulated depreciation	(49,980)	(47,997)
Land	4,830	4,726
	$33,213	$28,943

Maintenance and repairs charged to expense for the years ended June 30, 1995, 1994 and 1993 were $10,545,000, $9,137,000 and $9,056,000, respectively.

F. Retirement Plans

The Company has a contributory defined benefit pension plan for all employees not covered under a collective bargaining agreement (Farmer Bros. Co.) and a non-contributory defined benefit pension plan for certain hourly employees covered under a collective bargaining agreement (Brewmatic Co.). The Company's funding policy is to contribute annually at a rate that is intended to fund benefits as a level percentage of salary (Farmer Bros. Co.) and as a level dollar cost per participant (Brewmatic Co.) over the working lifetime of the plan participants. Benefit payments are determined under a final pay formula (Farmer Bros. Co.) and flat benefit formula (Brewmatic Co.)

The net periodic pension benefit for 1995, 1994 and 1993 are comprised of the following:

	Farmer Bros. Co.	Brewmatic Co.
	(In thousands)	
	1995	
Service cost	$ 875	$ 16
Interest cost	2,083	119
Actual return on assets	(5,358)	304
Net amortization and deferral	1,738	(507)
Net periodic pension benefit	$ (662)	$ (68)
	1994	
Service cost	$ 594	$ 14
Interest cost	1,869	116
Actual return on assets	(94)	6
Net amortization and deferral	(3,651)	(216)
Net periodic pension benefit	$(1,282)	$ (80)
	1993	
Service cost	$ 588	$ 16
Interest cost	1,629	110
Actual return on assets	(5,870)	(260)
Net amortization and deferral	2,719	76
Net periodic pension benefit	$ (934)	$ (58)

F. Retirement Plans, Continued

The funded status of the plans at June 30, 1995 was as follows:

	Farmer Bros. Co.	Brewmatic Co.
	(In thousands)	
Actuarial present value of benefit obligations:		
Vested	$27,133	$1,621
Non-vested	154	-
Accumulated benefit obligations	27,287	1,621
Effect of projected salary increases	3,075	-
Projected benefit obligations	30,362	1,621
Plan assets at fair value	(43,121)	(2,509)
Plan assets at fair value in excess of projected benefit obligations	(12,759)	(888)
Unrecognized net asset at June 30, 1995	4,965	292
Unrecognized prior service cost	(1,763)	(104)
Unrecognized net gain (loss)	565	(40)
Prepaid pension cost	$(8,992)	$ (740)
Assumptions for 1995:		
Discount rate for plan obligations	7.75%	7.75%
Assumed long term return on assets	8.00%	8.00%
Projected compensation increases for pay related plans	3.10%	-

The funded status of the plans at June 30, 1994 was as follows:

	Farmer Bros. Co.	Brewmatic Co.
	(In thousands)	
Actuarial present value of benefit obligations:		
Vested	$ 22,710	$ 1,590
Non-vested	110	-
Accumulated benefit obligations	22,820	1,590
Effect of projected salary increases	3,724	-
Projected benefit obligations	26,544	1,590
Plan assets at fair value	(39,111)	(2,295)
Plan assets at fair value in excess of projected benefit obligations	(12,567)	(705)
Unrecognized net asset at June 30, 1994	5,585	329
Unrecognized prior service cost	(304)	(117)
Unrecognized net loss	(1,045)	(167)
Prepaid pension cost	$ (8,331)	$ (660)
Assumptions for 1994:		
Discount rate for plan obligations	7.75%	7.75%
Assumed long term return on assets	8.00%	8.00%
Projected compensation increases for pay related plans	3.10%	-

The assets of each plan are primarily invested in publicly traded stocks and bonds, U.S. government securities and money market funds. The Farmer Bros. Co. Retirement Plan owned 21,765 shares of the Company's common stock at June 30, 1995 and 1994 with a fair value of approximately $2,666,000 and $2,677,000, respectively.

F. Retirement Plans, Continued

The Company contributes to two multi-employer defined benefit plans for certain union employees. The contributions to these multi-employer pension plans were approximately $1,635,000, $1,615,000 and $1,610,000, for 1995, 1994 and 1993, respectively. The Company also has a defined contribution plan for eligible non-union employees. No Company contributions have been made nor required to be made to this plan.

Farmer Bros. Co. sponsors defined benefit postretirement medical and dental plans that cover non-union employees and retirees, and certain union locals. The plan is contributory; retirees contributions are fixed at a current level. The plan is unfunded.

The Plan's accumulated postretirement benefit obligation (APBO) is as follows:

	June 30, 1995	June 30, 1994
	(In thousands)	
Retirees and dependents	$5,387	$5,276
Fully eligible active participants	5,869	3,300
Other active plan participants	7,575	2,030
Total APBO	$18,831	$10,606
Unrecognized net (loss) gain	(2,828)	(596)
Unrecognized prior service cost	(4,498)	-
Accrued postretirement benefit cost	$11,505	$10,010

Net periodic postretirement benefit costs included the following components:

	For the years ended June 30, 1995	1994	1993
	(In thousands)		
Service cost	$587	$496	$457
Interest cost	1,042	756	681
Amortization of unrecognized net loss	58	-	-
Unrecognized Prior Service Cost	71	-	-
Net periodic postretirement benefit cost	$1,758	$1,252	$1,138

A 9.5 percent annual rate increase in the per capita costs of covered medical care benefits was assumed for the fiscal year ending June 30, 1995, gradually decreasing to 5.5 percent by the fiscal year ending June 30, 2003 and remaining level thereafter. A 6 percent annual rate increase in the per capita costs of covered dental care benefits was assumed for all years. Increasing the assumed health care costs trend rates by one percentage point each year would increase the accumulated postretirement benefit obligation as of June 30, 1995 by $1,318,000 and increase the aggregate of the service cost and interest cost components of net periodic postretirement benefit cost for the fiscal year ending June 30, 1995 by $134,000. A discount rate of 8.0% was used to calculate net periodic postretirement benefit cost for the fiscal year ending June 30, 1995, and

F. Retirement Plans, Continued

7.75% was used to determine the accumulated postretirement benefit obligation as of June 30, 1995.

During fiscal 1995, the Company added prescription drug coverage for retirees covered under the medical and dental plan. The additional retiree health benefits increased the unrecognized prior service cost by approximately $4,498,000 as of June 30, 1995.

A 10 percent annual rate increase in the per capita costs of covered medical care benefits was assumed for the fiscal year ending June 30, 1994, gradually decreasing to 5.5 percent by the fiscal year ending June 30, 2004 and remaining level thereafter. A 6 percent annual rate increase in the per capita costs of covered dental care benefits was assumed for all years. Increasing the assumed health care costs trend rates by one percentage point in each year would increase the accumulated postretirement benefit obligation as of June 30, 1994 by $876,000 and increase the aggregate of the service cost and interest cost components of net periodic postretirement benefit cost for the fiscal year ending June 30, 1994 by $109,000. A discount rate of 8.5% was used to calculate net periodic postretirement benefit cost for the fiscal year ending June 30, 1994, and 8.0% was used to determine the accumulated postretirement benefit obligation as of June 30, 1994.

In 1993, the Company adopted Statement of Financial Accounting Standards No. 106 ("SFAS 106"), "Employers' Accounting for Postretirement Benefits Other Than Pensions." SFAS 106 requires the accrual method of accounting for these benefits rather than the Company's previous policy of recording these benefits when paid. The Company recognized the Accumulated Postretirement Benefit Obligation as of July 1, 1992 of $8,130,000. On an after-tax basis, the cumulative effect of this charge was $4,901,000 or $2.55 per share.

G. Income Taxes

Effective July 1, 1992, the Company adopted Statement of Financial Accounting Standards No. 109 ("SFAS 109"), "Accounting for Income Taxes." The cumulative effect of adopting SFAS 109 resulted in a charge of $393,000 or $.20 per share.

G. Income Taxes, Continued

The primary components of temporary differences which give rise to the Company's net deferred tax asset at June 30, 1995 and June 30, 1994 are as follows:

	June 30, 1995	June 30, 1994
	(In thousands)	
Deferred tax assets:		
Postretirement benefits	$4,700	$4,068
Accrued liabilities	1,307	2,014
State taxes	543	287
Other	1,242	922
	7,792	7,291
Deferred tax liabilities:		
Pension assets	3,976	3,653
Other	22	14
	3,998	3,667
Net deferred tax asset	$3,794	$3,624

Deferred tax assets are expected to be realized against future taxable income and have not been reduced by a valuation allowance.

The current and deferred components of the provision for income taxes consist of the following:

		1995	1994	1993
			(In thousands)	
Current:	Federal	$ 9,529	$ 4,385	$11,991
	State	2,406	1,276	2,837
		11,935	5,661	14,828
Deferred:	Federal	(145)	642	372
	State	(23)	56	94
		(168)	698	466
		$11,767	$ 6,359	$15,294

A reconciliation of the provision for income taxes to the statutory federal income tax expense is as follows:

	1995	1994	1993
	(In thousands, except percentages)		
Statutory tax rate	35.0%	35.0%	34.5%
Income tax expense at statutory rate	$10,949	$ 5,841	$13,641
State income tax (net of federal tax benefit)	1,549	865	1,856
Dividend income exclusion	(581)	(324)	(302)
Other (net)	(150)	(23)	99
	$11,767	$ 6,359	$15,294
Income taxes paid	$10,908	$10,993	$15,636

H. Other Current Liabilities

	1995	1994
	(In thousands)	
Accrued workers' compensation liabilities	$3,178	$ 3,112
Dividends payable	963	963
Other	464	468
	$4,605	$ 4,543

I. Line of Credit

The Company has a credit line of $50,000,000. The line has no fee or compensating balance requirement.

J. Commitments and Contingencies

The Company incurred rent expense of approximately $678,000, $666,000, and $686,000, for the years ended June 30, 1995, 1994 and 1993, respectively, and is obligated under leases for branch warehouses with terms not exceeding five years. Certain leases contain renewal options.

Future minimum lease payments are as follows:

June 30,	(In thousands)
1996	$519
1997	368
1998	255
1999	57
2000	10

The Company is a party to various pending legal and administrative proceedings. It is management's opinion that the outcome of such proceedings will have no material financial impact on the Company.

Concentration of Credit Risk: At June 30, 1995, financial instruments which potentially subject the Company to concentrations of credit risk consist of cash in financial institutions (which periodically exceed federally insured limits), cash equivalents (principally commercial paper), short term investments and investments in the preferred stocks of other companies. Commercial paper investments are not concentrated by issuer, industry or geographic area. Maturities are generally shorter than 90 days. Other investments are in U.S. government securities. Investment in the preferred stocks of other companies are limited to high quality issuers and are not concentrated by geographic area or issuer.

K. Quarterly Financial Data (Unaudited)

	Quarter Ended			
	09/30/94	12/31/94	03/31/95	06/30/95
	(In thousands, except per share data)			
Net sales	$54,182	$62,598	$59,514	$58,368
Gross profit	25,908	30,085	26,818	30,088
Income from operations	4,514	8,023	4,448	8,250
Net income	3,757	5,706	3,220	6,834
Net income per share	$1.95	$2.96	$1.67	$3.55

	Quarter Ended			
	09/30/93	12/31/93	03/31/94	06/30/94*
	(In thousands, except per share data)			
Net sales	$46,998	$49,564	$48,628	$48,671
Gross profit	26,010	27,621	26,811	13,853
Income (loss) from operations	5,244	5,889	4,679	(6,324)
Net income (loss)	4,365	4,196	3,932	(2,163)
Net income (loss) per share	$2.27	$2.18	$2.04	$(1.13)

* Results were negatively impacted by the sudden increase in green coffee prices which occurred in the fourth quarter of 1994.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers of the Registrant

Reference is made to the information to be set forth in the section entitled "Election of Directors" in the definitive proxy statement involving the election of directors in connection with the Annual Meeting of Shareholders to be held on November 27, 1995 (the "Proxy Statement") which section is incorporated herein by reference. The Proxy statement will be filed with the Securities and Exchange Commission no later than 120 days after June 30, 1995, pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended.

Name	Age	Position
Roy F. Farmer	79	Chairman of Board of Directors since 1951.
Roy E. Farmer	43	President since 1993; various positions since 1976, son of Chairman of the Board, R.F. Farmer.
Guenter W. Berger	58	Vice President of Production, Director since 1980; various positions since 1960.
Kenneth R. Carson	55	Vice President of Sales since 1990; Sales Management since 1968.
David W. Uhley	54	Secretary since 1985; various positions since 1968.
John E. Simmons	44	Treasurer since 1985; various positions since 1980.

All officers are elected annually by the Board of Directors and serve at the pleasure of the Board.

Item 11. Executive Compensation

Reference is made to the information to be set forth in the section entitled "Management Remuneration" in the Proxy Statement, which is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Reference is made to the information to be set forth in the sections entitled "Principal Shareholders" and "Election of Directors" in the Proxy Statement, which is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

Reference is made to the information to be set forth in the sections entitled "Principal Shareholders" and "Election of Directors" in the Proxy Statement, which is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a) List of Financial Statements and Financial Statement Schedules

1. Financial Statements included in Item 8:
   Consolidated Balance Sheets as of June 30, 1995 and 1994.
   Consolidated Statements of Income For the Years Ended June 30, 1995, 1994 and 1993.
   Consolidated Statements of Cash Flows For the Years Ended June 30, 1995, 1994 and 1993.
   Consolidated Statements of Shareholders' Equity For the Years Ended June 30, 1995, 1994 and 1993.
   Notes to Consolidated Financial Statements

2. Financial Statement Schedules:
   Financial Statement Schedules are omitted as they are not applicable, or the required information is given in the consolidated financial statements or notes thereto.

3. Exhibits required by Item 601 of Regulation S-K.
   See item (c) below.

(b) Reports on Form 8-K. Registrant did not file any reports on Form 8-K during the quarter ended June 30, 1995.

(c) Exhibits required by Item 601 of Regulation S-K.

Exhibits

3. Articles of incorporation and by-laws.
   Filed with the Form 10-K for the fiscal year ended June 30, 1986.
4. Instruments defining the rights of security holders, including indentures.
   Not applicable.
9. Voting trust agreement.
   Not applicable.
10. Material contracts
    Not applicable.
11. Statement re computation of per share earnings.
    Not applicable.
12. Statements re computation of ratios.
    Not applicable.
13. Annual report to security holders, Form 10-Q or quarterly report to security holders.
    Not applicable.
18. Letter re change in accounting principles.
    Not applicable.
19. Previously unfiled documents.
    Not applicable.

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8K, Continued

22. Subsidiaries of the Registrant.
    Not applicable.
23. Published report regarding matters submitted to vote of security holders.
    Not applicable.
24. Consents of experts and counsel.
    Not applicable.
25. Power of attorney.
    Not applicable.
28. Additional exhibits.
    Not applicable.
29. Information from reports furnished to state insurance regulatory authorities.
    Not applicable.

(d) Financial statements required by Regulation S-X but excluded from the annual report to shareholders by Rule 14a - 3(b).
    None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Farmer Bros. Co.

By: Roy F. Farmer
(Roy F. Farmer, Chief Executive Officer and
Chairman of the Board of Directors)
Date: September 25, 1995

By: John E. Simmons
(John E. Simmons, Treasurer and
Chief Financial and Accounting Officer)
Date: September 25, 1995

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Roy E. Farmer
Roy E. Farmer, President and Director
Date: September 25, 1995

Guenter W. Berger
Guenter W. Berger, Vice President and Director
Date: September 25, 1995

Lewis A. Coffman
Lewis A. Coffman, Director
Date: September 25, 1995

John M. Anglin, Director
Date: September 25, 1995

Catherine E. Crowe, Director
Date: September 25, 1995

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YEAR	YEAR
JUN-30-1995	JUN-30-1994
JUN-30-1995	JUN-30-1994
8231	8681
80530	34839
18481	15975
545	445
36761	34910
149806	103375
33213	28943
49980	47997
244340	219903
18724	12488
0	0
1926	1926
0	0
0	0
0	0
244320	219903
234662	193861
234662	193861
121763	99566
87664	84807
0	0
0	0
0	0
31284	16689
11767	6359
19517	10330
0	0
0	0
0	0
19517	10330
10.13	5.36
10.13	5.36