UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2006

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

For the transition period from to

Commission file number: 0-1375

FARMER BROS. CO.

(exact name of registrant as specified in its charter)

Delaware	**95-0725980**
(State of Incorporation)	(I.R.S. Employer Identification No.)
20333 South Normandie Avenue	
Torrance, California	**90502**
(address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(310) 787-5200**

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 ☒ NO o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated file o   Accelerated filer ☒   Non-accelerated filer o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES o NO ☒

On April 1, 2006 the registrant had 16,075,080 shares outstanding of its common stock, par value $1.00 per share, which is the registrant's only class of common stock.

PART I Financial Information

Item 1. Financial Statements

FARMER BROS. CO.

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except share and per share data)

	March 31, 2006 (Unaudited)	June 30, 2005
ASSETS		
Current assets:		
Cash and cash equivalents	$ 13,212	$ 9,814
Short term investments	165,867	171,055
Accounts receivable, net	14,549	15,485
Inventories	48,885	41,086
Income tax receivable	1,639	4,064
Prepaid expenses	4,142	3,715
Total current assets		

	$ 248,294	$ 245,219
Property, plant and equipment, net	46,868	42,671
Other assets	16,703	21,268
Deferred income taxes	5,765	5,765
Total assets	$ 317,630	$ 314,923
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 5,229	$ 7,852
Accrued payroll expenses	7,072	7,590
Deferred income taxes	321	321
Other	4,686	4,930
Total current liabilities	$ 17,308	$ 20,693
Accrued postretirement benefits	$ 30,805	$ 29,344
Total liabilities	$ 48,113	$ 50,037
Commitments and contingencies		
Stockholders' equity:		
Common stock, $1.00 par value, authorized 25,000,000 shares; 16,075,080 issued and outstanding	$ 16,075	$ 16,075
Additional paid-in capital	31,745	32,292
Retained earnings	274,015	272,791
Unearned ESOP shares	(51,461)	(55,415)
Less accumulated comprehensive loss	(857)	(857)
Total stockholders' equity	$ 269,517	$ 264,886
Total liabilities and stockholders' equity	$ 317,630	$ 314,923

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

FARMER BROS. CO.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except share and per share data)

(Unaudited)

	Three months ended March 31,		Nine months ended March 31,	
	2006	2005	2006	2005
Net sales	$ 53,561	$ 50,271	$ 156,935	$ 148,199
Cost of goods sold	21,522	20,928	62,857	59,319
Gross profit	$ 32,039	$ 29,343	$ 94,078	$ 88,880
Selling expenses	26,017	23,943	75,102	68,492
General and administrative expenses	5,955	7,567	16,884	20,854
Operating expenses	$ 31,972	$ 31,510	$ 91,986	$ 89,346
Income (loss) from operations	$ 67	$ (2,167)	$ 2,092	$ (466)
Other income (expense):				
Dividend income	911	850	2,661	2,584
Interest income	1,181	738	3,061	1,799
Other, net income (expense)	1,226	(3,019)	(197)	(11,241)
Total other income (expense)	$ 3,318	$ (1,431)	$ 5,525	$ (6,858)
Income (loss) before taxes	3,385	(3,598)	7,617	(7,324)
Income tax expense (benefit)	922	(4,454)	2,069	(5,609)
Net income (loss)	$ 2,463	$ 856	$ 5,548	$ (1,715)
Net income (loss) per common share	$ 0.18	$ 0.06	$ 0.40	$ (0.13)
Weighted average shares outstanding	13,910,523	13,687,840	13,865,637	13,621,390
Dividends declared per share	$ 0.105	$ 0.100	$ 0.315	$ 0.300

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

FARMER BROS. CO.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

(Unaudited)

	Nine months ended	
	March 31, 2006	March 31, 2005
Cash flows from operating activities:		
Net income (loss)	$ 5,548	$ (1,715)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation	6,671	6,221
Deferred income taxes	0	(1,984)
Gain on sales of assets	(485)	(19)
ESOP compensation expense	3,407	4,648
Net loss on investments	1,187	11,786
Change in assets and liabilities:		
Short term investments	4,001	(15,923)
Accounts and notes receivable	936	(900)
Inventories	(7,799)	(2,112)
Income tax receivable	2,425	(5,729)
Prepaid expenses and other assets	4,138	(1,298)
Accounts payable	(2,623)	1,656
Accrued payroll expenses and other liabilities	(762)	(1,792)
Accrued postretirement benefits	1,461	1,597
Total adjustments	$ 12,557	$ (3,849)
Net cash provided by (used in) operating activities	$ 18,105	$ (5,564)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(10,989)	(5,841)
Proceeds from sales of property, plant and equipment	606	83
Net cash used in investing activities	$ (10,383)	$ (5,758)
Cash flows from financing activities:		
Dividends paid	(4,324)	(4,065)
Net cash used in financing activities	$ (4,324)	$ (4,065)
Net increase (decrease) in cash and cash equivalents	$ 3,398	$ (15,387)
Cash and cash equivalents at beginning of period	9,814	21,807
Cash and cash equivalents at end of period	$ 13,212	$ 6,420

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

Notes to Consolidated Financial Statements

Note 1. Unaudited Financial Statements

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 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 (“GAAP”) for complete consolidated financial statements. In the opinion of management, all adjustments of a normal and recurring nature considered necessary for a fair presentation of the interim financial data have been included. Operating results for the three and nine month periods ended March 31, 2006 are not necessarily indicative of the results that may be expected for the fiscal year ending June 30, 2006.

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 fiscal year ended June 30, 2005.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results may differ from those estimates.

Reclassifications

Certain reclassifications have been made to prior year balances to conform to the current year presentation.

Note 2. Investments and Derivative Instruments

The Company purchases various derivative instruments as investments or to create economic hedges of its interest rate risk and commodity price risk. At March 31, 2006 and June 30, 2005, derivative instruments are not designated as accounting hedges as defined by SFAS No. 133. The fair value of derivative instruments is based upon broker quotes. The Company records realized and unrealized gains and losses on trading securities and changes in the market value of certain coffee contracts meeting the definition of derivatives in Other, net income (expense).

Investments, consisting of marketable debt and equity securities and money market instruments, are held for trading purposes and are stated at fair value.

Investments are as follows:

	March 31, 2006	June 30, 2005
	(In thousands)	
Trading securities at fair value		
U.S. Treasury Obligations	$ 103,899	$ 109,134
Preferred Stock	60,586	61,660
Futures, options and other derivatives	1,355	239
Other investments	27	22
	$ 165,867	$ 171,055

Note 3. Inventories

March 31, 2006	Processed	Unprocessed	Total
		(In thousands)	
Coffee	$ 2,727	$ 19,241	$ 21,968
Allied products	14,857	5,138	19,995
Coffee brewing equipment	1,838	5,084	6,922
	$ 19,422	$ 29,463	$ 48,885

June 30, 2005	Processed	Unprocessed	Total
		(In thousands)	
Coffee	$ 4,888	$ 12,568	$ 17,456
Allied products	12,860	5,478	18,338
Coffee brewing equipment	2,081	3,211	5,292
	$ 19,829	$ 21,257	$ 41,086

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. An actual valuation of inventory under the LIFO method is 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. Employee Benefit Plans

The Company provides pension plans for most full time employees. Generally the plans provide benefits based on years of service and/or a combination of years of service and earnings. Retirees are also eligible for medical and life insurance benefits.

Company Pension Plans

The Company has a contributory defined benefit plan for all employees not covered under a collective bargaining agreement (Farmer Bros. Co. Plan) and non-contributory defined benefit pension plan (Brewmatic Co. Plan) for certain hourly employees covered under a collective bargaining agreement. The net periodic benefit costs for the defined benefit plans were as follows:

	Three months ended March 31,	
	2006	2005
	(In thousands)	
Components of net periodic benefit cost		
Service cost	$ 704	$ 529
Interest cost	$ 1,127	$ 1,071
Expected return on plan assets	$ (1,656)	$ (1,559)
Amortization of:		
Unrecognized net obligation	$ 0	$ 0
Unrecognized prior service cost	$ 16	$ 46
Unrecognized net loss	$ 251	$ 18
Net periodic benefit cost	$ 442	$ 105

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Certain statements contained in this quarterly report on Form 10-Q regarding the risks, circumstances and financial trends that may affect our future operating results, financial position and cash flows are not based on historical fact and are forward-looking statements within the meaning of federal securities laws and regulations. These statements are based on management's current expectations, assumptions, estimates and observations of future events and include any statements that do not directly relate to any historical or current fact. These forward-looking statements can be identified by the use of words like "anticipates," "feels," "estimates," "projects," "expects," "plans," "believes," "intends," "will," "assumes" and other words of similar meaning. Owing to the uncertainties inherent in forward-looking statements, actual results could differ materially from those set forth in forward-looking statements. We intend these forward-looking statements to speak only at the time of this report and do not undertake to update or revise these statements as more information becomes available except as required under federal securities laws and the rules and regulations of the SEC. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, fluctuations in availability and cost of green coffee, competition, organizational changes, the impact of a weaker economy, business conditions in the coffee industry and food industry in general, the Company's continued success in attracting new customers, variances from budgeted sales mix and growth rates, and weather and special or unusual events, as well as other risks described in this report and other factors described from time to time in the Company's filings with the SEC.

Liquidity and Capital Resources

There have been no material changes in the Company's liquidity or capital resources since the fiscal year ended June 30, 2005. We continue to maintain a strong working capital position, and believe that our short and long term cash requirements will be provided by internal sources. We do not expect to rely on banks or other third parties for our working capital needs.

Our working capital is composed of the following:

	March 31, 2006	June 30, 2005
	(In thousands)	
Current assets	$ 248,294	$ 245,219
Current liabilities	$ 17,308	$ 20,693
Working capital	$ 230,986	$ 224,526
	9 months	12 months
Capital expenditures	$ 10,989	$ 8,832

There have been no material changes in the needs or commitments described in the Company's annual report on Form 10-K for the fiscal year ended June 30, 2005. Our new warehouse in Bakersfield is in operation now and our Chico warehouse is still on target for completion in May, 2006.

Results of Operations

The operating trends discussed in the Company's annual report on Form 10-K for fiscal 2005 have continued through the first nine months of fiscal 2006.

As we discussed at our annual stockholders' meeting last November, management has a number of short and long term initiatives underway designed to strengthen the Company's sales and distribution network and improve sales. Our efforts are focused on enhancing our brand identification, revitalizing our product lines, and adding new customers. Our initiatives include:

- Promotion of our BRAND.
  - We have designed and ordered new packaging for our entire product line. The roll-out for the new packaging is expected to begin in August, 2006 and will continue through December, 2006.
  - We have designed, and are producing and distributing new point of sale marketing materials to help our customers sell our products. Many of these materials are available now, and others will be ready for the new packaging roll-out.
  - We are promoting our brand and product line at trade shows throughout our marketing area.
- New products.
  - Our new product introduction program is showing success. Incremental revenues from these new products are projected at $800 thousand/year for fiscal 2007. We believe these new products afford us with an opportunity to engage our customers and cross-sell other products and share ideas for future new products.
- New customers.
  - We have created a National Accounts organization to solicit larger customers. This group was fully staffed by February 1, 2006, and we expect to see measurable results from this initiative by the end of calendar 2007.

- Plans are being made to expand to new geographical markets east of our current service area.

We are also trying to make our sales and distribution system more efficient. We have accelerated our efforts to adjust branches, routes and responsibilities. In the past three months we have reduced our sales organization by more than fifteen employees and a number of routes were combined.

In the light of these efforts, we have pushed back the target implementation date of this software to February, 2007. We believe this will enable our front line sales organization to focus on sales as their top priority while we resolve some "back office" issues with the software.

Management continues to concentrate on improving our gross profit margins and controlling our selling and general and administrative expenses.

- We have been successful in maintaining gross profit margins, but inflationary pressures on the cost of our raw materials and packaging supplies remain a threat to our ability to maintain these margins.

- We continue to try to contain our operating costs, but we have limited ability to reduce many of these expenses. For example, higher gasoline and diesel prices directly impact our distribution costs.

- We are conducting an evaluation of all departments. Our goal is to eliminate unnecessary procedures and staff and, by re-training or new hires, align needed staff skills to match business requirements.

- By inducing key branch personnel to move to the National Accounts organization, we were forced to replace approximately 20% of our Branch Managers, adding over $1 million in annual compensation to our operating expenses for calendar 2006. The recent and contemplated reductions in force are expected to result in future annual payroll savings of approximately $900 thousand.

- As we implement these changes we are experiencing higher employee turnover. We believe the speed with which we attract, train and retain good employees in all departments will directly correlate with the speed at which our operations will improve.

Comparative Information

The operating trends discussed in the Company's annual report on Form 10-K for fiscal 2005 have continued in fiscal 2006. Sales in the third quarter of fiscal 2006 increased 7% to $53,561,000 from $50,271,000

in the third quarter of fiscal 2005. Sales for the first nine months of fiscal 2006 increased 6% to $156,935,000 from $148,199,000 in the same period of fiscal 2005. Selling programs discussed in the Company's annual report on Form 10-K for the fiscal year ended June 30, 2005 continue to be deployed through our branches and customer base.

Cost of goods sold in the third quarter of fiscal 2006 increased to $21,522,000, or 40% of sales, as compared to $20,928,000, or 42% of sales, in the third quarter of fiscal 2005. Cost of goods sold for the first nine months of fiscal 2006 increased 6% to $62,857,000, or 40% of sales, as compared to $59,319,000, or 40% of sales, in the same period of fiscal 2005. We have been able to maintain historic operating margins. Inflationary pressures resulting from our entire product line combined with the volatility of the green coffee market provide little assurance, however, that we will be able to maintain these margins.

The average closing price of green coffee nearby contract compiled by the New York Board of Trade is reflected in the following table:

Comparison of Average Periodic Green Coffee Prices

	Three months ended March 31,		
	2006	2005	2004
Average coffee price per pound	$ 1.12	$ 1.14	$ 0.73
Change from prior year	(2)%	56%	

	Nine months ended March 31,		
	2006	2005	2004
Average coffee price per pound	$ 1.03	$ 0.90	$ 0.66
Change from prior year	14%	36%	

Selling, General and Administrative Expenses in the third quarter of fiscal 2006 increased $462,000 or 1% to $31,972,000 from $31,510,000 in the same quarter of fiscal 2005. Selling, General and Administrative Expenses for the first nine months of fiscal 2006 increased $2,640,000, or 3%, to $91,986,000 from $89,346,000 in the same period of fiscal 2005. This increase in 2006, as compared to 2005, is primarily attributed to a 4% increase in direct payroll expense, $1,789,000, in addition to higher coffee brewing equipment costs largely associated with new sales programs, higher gasoline and diesel costs and higher insurance expenses, offset by declines in employee benefit costs and IT project consulting. Continuing development costs of our multi-year information systems project are currently capitalized. The new sales system implementation has been delayed and we will start depreciating those development costs in fiscal 2007.

Principal Changes in Selling, General and Administrative Expenses

	For the nine months ended March 31,	
	2006	2005
	(In thousands)	
Coffee brewing equipment	$ 8,040	$ 6,799
Employee medical, ESOP & retirement costs	12,738	12,356
Fuel costs	5,250	4,092
Insurance	3,929	3,483
IT project depreciation	2,898	2,442

Consulting	424	2,539

Total other income (expense) in the third quarter of fiscal 2006 was $3,318,000 as compared to Total other (expense) of ($1,431,000) in the same period of fiscal 2005 primarily as a result of (1) higher interest rates during fiscal 2006 and (2) the reduction of green coffee trading losses. Higher green coffee prices during the second quarter of fiscal 2005 resulted in a decrease in the value of green coffee futures and options used by the Company to hedge against a decline in commodity prices.

For the first nine months of fiscal 2006, Total other income was $5,525,000, as compared to Total other (expense) of ($6,858,000) in the same period of fiscal 2005. This increase is primarily the result of higher green coffee prices during the second quarter of fiscal 2005 which resulted in a decrease in the value of green coffee futures and options used by the Company to hedge against a decline in commodity prices. Other, net (expense) during the first nine months of fiscal 2005 consisted of net realized and unrealized coffee trading losses of ($12,992,000), offset by net gains on other investments.

As a result of the forgoing factors, net income for the third quarter of fiscal 2006 was $2,463,000 as compared to net income of $856,000 in the same period of fiscal 2005. Net income per common share was $0.18 in the third quarter of fiscal 2006 as compared to net income per common share of $0.06 in the same period of fiscal 2005. Net income for the first nine months of fiscal 2006 increased to $5,548,000, or $0.40 per share, as compared to a loss of ($1,715,000), or ($0.13) per share, in the first nine months of fiscal 2005.

Quarterly Financial Data (Unaudited)

(In thousands, except per share data)

	September 30, 2004	December 31, 2004	March 31, 2005	June 30, 2005
Net sales	$ 46,708	$ 51,220	$ 50,271	$ 50,221
Gross profit	$ 29,239	$ 30,298	$ 29,343	$ 26,576
Income (loss) from operations	$ 1,002	$ 699	$ (2,167)	$ (6,117)
Net income (loss)	$ 1,497	$ (4,068)	$ 856	$ (3,712)
Net income (loss) per common share	$ 0.11	$ (0.30)	$ 0.06	$ (0.27)

	September 30, 2005	December 31, 2005	March 31, 2006
Net sales	$ 48,424	$ 54,950	$ 53,561
Gross profit	$ 28,885	$ 33,154	$ 32,039
Income (loss) from operations	$ (1,124)	$ 3,149	$ 67
Net income (loss)	$ (1,079)	$ 4,164	$ 2,463
Net income (loss) per common share	$ (0.08)	$ 0.30	$ 0.18

Item 3. Qualitative and Quantitative Disclosures About Market Risk

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 can include at any given time discount commercial paper, medium term notes, federal agency issues and treasury securities. As of March 31, 2005, over 90% of these funds were invested in U.S. Treasury securities and approximately 57% of these issues have maturities shorter than 90 days. This portfolio's interest rate risk is not hedged and its average maturity is approximately 90 days. A 100 basis point move in the general level of interest rates would result in a change in the market value of the portfolio of approximately $1,068,000.

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, 2006. 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.

The number and type of futures and options 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 U.S. Treasury yields, and the costs of using futures and/or options.

	Market Value at March 31, 2006			Change in Market Value of Total Portfolio
Interest Rate Changes	Preferred Securities	Futures and Options	Total Portfolio	
		(In thousands)		
-150 basis points	$ 66,571	$ 0	$ 66,571	$ 4,630
-100 basis points	$ 64,934	$ 0	$ 64,934	$ 2,993
Unchanged	$ 60,586	$ 1,355	$ 61,941	$ 0
+100 basis points	$ 55,562	$ 6,490	$ 62,052	$ 111
+150 basis points	$ 53,029	$ 9,151	$ 62,180	$ 239

Commodity Price Changes

We are exposed to commodity price risk arising from changes in the market price of green coffee. We value our inventory on the LIFO basis. In the normal course of business we hold a large green coffee inventory and enter into forward commodity purchase agreements with suppliers that makes us subject to price risk resulting from the volatility of green coffee prices. Volatile price increases cannot, because of competition and market conditions, always be passed on to our customers. From time to time the Company will hold a mix of futures contracts and options to help hedge against volatile green coffee price decreases. Gains and losses on these derivative instruments are realized immediately in Other, net (expense) income.

On March 31, 2006, we had no open future and options to hedge against a decline in green coffee commodity prices, and our entire exposure to commodity risk was in the potential change of our inventory value resulting from changes in the market price of green coffee.

Item 4. Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 (the “Exchange Act”) is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information we are required to disclose in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosures.

As of March 31, 2006, our management, with the participation of our chief executive officer and chief financial officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures pursuant to Rules 13(a)-15(e) and 15(d)-15(e) promulgated under the Exchange Act. Based upon this evaluation, our chief executive officer and our chief financial officer concluded that, as of March 31, 2006, our disclosure controls and procedures were (1) designed to ensure that material information relating to our company is accumulated and

made known to our management, including our chief executive officer and chief financial officer, in a timely manner, particularly during the period in which this report was being prepared and (2) effective, in that they provide reasonable assurance that information we are required to disclose in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms.

Management believes, however, that a controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control deficiencies and instances of fraud, if any, within a company have been detected.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Exchange Act) during our fiscal quarter ended March 31, 2006, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II Other Information

Item 6. Exhibits

See Exhibit Index.

SIGNATURES

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.

Name	Title	Date
/s/ GUENTER W. BERGER Guenter W. Berger	Chairman, President and Chief Executive Officer (principal executive officer)	May 5, 2006
/s/ JOHN E. SIMMONS John E. Simmons	Treasurer and Chief Financial Officer (principal financial and accounting officer)	May 5, 2006

EXHIBIT INDEX

3.1	Certificate of Incorporation (filed as an exhibit to the Form 10-Q for the quarter ended March 31, 2004 and incorporated herein by reference).
3.2	Bylaws (filed as an exhibit to the Form 10-Q for the quarter ended March 31, 2004 and incorporated herein by reference).
4.1	Certificate of Designations of Series A Junior Participating Preferred Stock (filed as Exhibit 3.1 to the Company’s Current Report on Form 8-K dated March 17, 2005 and incorporated herein by reference).

4.2	Rights Agreement dated March 17, 2005 by and between Farmer Bros. Co. and Wells Fargo Bank, N.A., as Rights Agent (filed as Exhibit 4.1 to the Company’s Current Report on Form 8-K dated March 17, 2005 and incorporated herein by reference).
10.1	The Farmer Bros. Co. Pension Plan for Salaried Employees (filed as an exhibit to the Form 10-K for the year ended June 30, 2002 and incorporated herein by reference).
10.2	The Farmer Bros. Co. Incentive Compensation Plan (filed as an exhibit to the Form 10-K for the year ended June 30, 2002 and incorporated herein by reference).
10.3	The Farmer Bros. Co. Employee Stock Ownership Plan (filed as an exhibit to the Form 10-K for the year ended June 30, 2002 and incorporated herein by reference).
10.4	Farmer Bros. Co. Employee Stock Ownership Plan Amendment 2 (filed as an exhibit to the Form 10-Q for the quarter ended December 31, 2003 and incorporated herein by reference).
10.5	Farmer Bros. Co. Employee Stock Ownership Plan Amendment 3 (filed as an exhibit to the Form 10-Q for the quarter ended December 31, 2003 and incorporated herein by reference).
10.6	Loan Agreement dated July 21, 2003 between the Company and Wells Fargo Bank, Trustee of the Farmer Bros Co. Employee Stock Ownership Plan (filed as an exhibit to the Form 10-Q for the quarter ended December 31, 2003 and incorporated herein by reference).
10.7	Form of Change in Control Severance Agreement entered into with each of the following officers: Guenter Berger, Michael J. King and John E. Simmons (filed as an exhibit to the Form 10-Q for the quarter ended March 31, 2005 and incorporated herein by reference).
10.8	Farmer Bros. Co. 2005 Incentive Compensation Plan (filed as Exhibit 99.1 to the Company’s Current Report on Form 8-K filed with the SEC on October 12, 2005 and incorporated herein by reference).
10.9	Form of Notification Letter under Farmer Bros. Co. 2005 Incentive Compensation Plan (filed as Exhibit 99.2 to the Company’s Current Report on Form 8-K filed with the SEC on October 12, 2005 and incorporated herein by reference).
31.1	Principal Executive Officer Certification Pursuant to Securities Exchange Act Rules 13a-14 and 15d-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (filed herewith)
31.2	Principal Financial Officer Certification Pursuant to Securities Exchange Act Rules 13a-14 and 15d-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (filed herewith)
32.1	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (furnished herewith)
32.2	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (furnished herewith)

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Guenter W. Berger, Chairman, President and Chief Executive Officer of Farmer Bros. Co. (“Registrant”), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

(d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting;

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: May 5, 2006

/s/ Guenter W. Berger

Guenter W. Berger
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, John E. Simmons, Treasurer and Chief Financial Officer of Farmer Bros. Co. ("Registrant"), certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting;

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 5, 2006

/s/ John E. Simmons

John E. Simmons
Treasurer and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION of Chief Executive Officer Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Farmer Bros. Co. (the “Company”) on Form 10-Q for the quarter ended March 31, 2006, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Guenter W. Berger, Chief Executive Officer, President and Chairman of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 5, 2006

/s/ Guenter W. Berger

Guenter W. Berger
Chief Executive Officer, President and Chairman
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION of Chief Financial Officer Pursuant to Section 906 of The Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Farmer Bros. Co. (the"Company") on Form 10-Q for the fiscal quarter ended March 31, 2006, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John E. Simmons, Treasurer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a)or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Dated: May 5, 2006

/s/ John E. Simmons

John E. Simmons
Treasurer and Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.