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 December 31, 2001
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 December 31, 2001.

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 December 31,		For the six months ended December 31,	
	2001	2000	2001	2000
Net sales	$54,755	$57,795	$104,155	$109,810
Cost of goods sold	17,418	19,164	34,249	38,876
	37,337	38,631	69,906	70,934
Selling expense	22,064	21,253	42,423	41,234
General and administrative expenses	3,382	2,614	6,306	5,478
	25,446	23,867	48,729	46,712
Income from operations	11,891	14,764	21,177	24,222
Other income:				
Dividend income	793	746	1,604	1,504
Interest income	1,922	3,209	4,411	6,200
Other, net	1,350	795	1,490	666
	4,065	4,750	7,505	8,370
Income before taxes	15,956	19,514	28,682	32,592
Income taxes	6,223	7,707	11,186	12,874
Income before cumulative				

effect of accounting change	9,733	11,807	17,496	19,718
Cumulative effect of accounting change, net of income taxes	-	-	-	(310)
Net income	$9,733	$11,807	$17,496	$19,408
Income per common share:				
Before cumulative effect of accounting change	$5.27	$6.40	$9.47	$10.70
Cumulative effect of accounting change	-	-	-	(0.17)
Net income per share	$5.27	$6.40	$9.47	$10.53
Weighted average shares outstanding	1,847,445	1,842,807	1,847,348	1,842,554
Dividends declared per share	$0.85	$0.80	$1.70	$1.60

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

FARMER BROS. CO.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	December 31, 2001	June 30, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$64,700	$19,362
Short term investments	214,379	243,818
Accounts and notes receivable, net	15,778	15,326
Inventories	36,537	35,780
Income tax receivable	-	2,991
Deferred income taxes	1,092	1,092
Prepaid expenses	783	510
Total current assets	333,269	318,879
Property, plant and equipment, net	38,582	39,094
Notes receivable	285	2,727
Other assets	27,217	26,432
Deferred income taxes	3,263	3,263
Total assets	$402,616	$390,395
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$1,636	$5,153
Accrued payroll expenses	6,336	6,421
Other	6,136	6,081
Total current liabilities	14,108	17,655
Accrued postretirement benefits	21,772	20,800
Other long term liabilities	4,892	4,892
	26,664	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	16,960	16,629
Retained earnings	355,793	341,434
Unearned ESOP shares	(12,835)	(12,941)
Total shareholders' equity	361,844	347,048
Total liabilities and shareholders' equity	$402,616	$390,395

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

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

	For the six months Ended December 31, 2001	2000
Cash flows from operating activities:		
Net income	$17,496	$19,408
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of accounting change	-	310
Depreciation	2,759	2,717
Deferred income taxes	-	1,763
Gain on sales of assets	(100)	(19)
ESOP compensation expense	1,138	549
Net loss (gain) on investments	1,154	(462)
Net unrealized loss on investments reclassified as trading	-	2,336
Change in assets and liabilities:		
Short term investments	28,285	(15,030)
Accounts and notes receivable	(508)	(1,352)
Inventories	(757)	811
Income tax receivable	2,991	-
Prepaid expenses and other assets	(1,058)	(897)
Accounts payable	(3,517)	350
Accrued payroll expenses and other Current liabilities	(30)	2,520
Accrued post retirement benefits	972	736
Total adjustments	31,329	(5,668)
Net cash provided by operating activities	$48,825	$13,740

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

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

	For the six months Ended December 31, 2001	2000
Net cash provided by operating activities:	$48,825	$13,740
Cash flows from investing activities:		
Purchases of property, plant and equipment	(2,301)	(3,517)
Proceeds from sales of property, plant and equipment	154	79
Notes issued	(35)	(78)
Notes repaid	2,533	36
Net cash provided by (used in) investing activities	351	(3,480)
Cash flows from financing activities:		
Dividends paid	(3,137)	(2,947)
ESOP contributions	(701)	(390)
Net cash used in financing activities	(3,838)	(3,337)
Net increase in cash and cash equivalents	45,338	6,923
Cash and cash equivalents at beginning		

of period	19,362	15,504
Cash and cash equivalents at end of period	$64,700	$22,427
Supplemental disclosure of cash flow information:		
Income tax payments	$7,732	$10,257

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 six month period ended December 31, 2001 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):

December 31, 2001	Cost	Net Gain or Loss	Fair Value
Corporate debt	$ 75,532	$ 53	$ 75,585
U.S. Treasury obligations	45,843	395	46,238
U.S. Agency obligations	36,051	81	36,132
Preferred stock	45,706	1,164	46,870
Other fixed income	8,250	(18)	8,232
Futures, options and other derivative investments	1,681	(359)	1,322
	$213,063	$1,316	$214,379

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)

December 31, 2001

	Processed	Unprocessed	Total
Coffee	$ 3,842	$10,241	$14,083

Allied products	12,123	5,109	17,232
Coffee brewing equipment	1,998	3,224	5,222
	$17,963	$18,574	$36,537

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

Note 4. Comprehensive Income

(In thousands)	For the three months ended December 31,		For the six months ended December 31,	
	2001	2000	2001	2000
Net income	$9,733	$11,807	$17,496	$19,408
Unrealized investment gains, net	-	-	-	2,646
Total comprehensive income	$9,733	$11,807	$17,496	$22,054

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

Net sales for the second quarter of fiscal 2002 increased 10.8% to $54,755,000 as compared to $49,400,000 in the first quarter of fiscal 2002 as the public began to return to restaurants after the September 11 disaster, but decreased 5.3% as compared to $57,795,000 in the second quarter of fiscal 2001 primarily due to a 6% decrease in roast coffee sales in the current quarter as compared to the same quarter of fiscal 2001. Although the average cost of green coffee has declined 36% in the 12 months ended December 31, 2001, gross profit has not similarly improved because of the reduced sales volume. Gross profit decreased 3% to $37,337,000 as compared to $38,631,000 in the same quarter of fiscal 2001 and increased 15% as compared to $32,569,000 in the first quarter of fiscal 2002. Gross profit for the first half of fiscal 2001 decreased 1% to $69,906,000 as compared to $70,934,000 in the same period of the prior fiscal year.

Operating expenses, consisting of selling and general and administrative expenses, increased 7% to $25,446,000 in the second quarter of fiscal 2002 as compared to $23,867,000 in the second quarter of fiscal 2001, and increased 4% to $48,729,000 in the first half of fiscal 2002 as compared to $46,712,000 in the first six months of fiscal 2001. This increase is primarily attributed to compensation related expenses, including salary increases, the cost of the ESOP, increases in employee medical claims, and employee retirement plan costs.

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.

During the first half of fiscal 2001, the Company had realized and unrealized gains (losses) on securities of approximately $709,000 and $(247,000), respectively, as compared to realized gains on securities of approximately $207,000 and $947,000, respectively, in the same period of fiscal 2002. Lower interest rates in the current fiscal year have resulted in a lesser amount of interest earned. Interest earned decreased 40% to $1,922,000 as compared to $3,209,000 in the quarter ended December 31, 2001 and 2000, respectively, and decreased 29% to $4,411,000 as compared to $6,200,000 for the first six months of fiscal 2002 and 2001, respectively.

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.

Net income for the second quarter of fiscal 2002 decreased 18% to $9,733,000, or $5.27 per share, as compared to $11,807,000, or $6.40 per share, in the second quarter of fiscal 2001, but decreased 11% to $17,496,000, or $9.47 per share, as compared to $19,408,000, or $10.53 per share in the first six months of fiscal 2002 and 2001, respectively.

Quarterly Summary of Results

(In thousands of dollars)

	12/30/00	3/31/01	6/30/01	9/30/01	12/31/01
Net sales	$57,795	$54,814	$50,807	$49,400	$54,755
Gross profit	38,631	36,413	34,053	32,569	37,337
Income from operations	14,764	11,882	6,011	9,286	11,891
Net income	11,807	9,793	6,977	7,763	9,733
Net income per share	$6.40	$5.32	$3.77	$4.21	$5.27

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 December 31, 2001 over 60% 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 ($2,140,000).

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 December 31, 2001. 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.

	Market Value of December 31, 2001			
	Preferred Stock	Futures & Options	Total Portfolio	Value of Total Portfolio
- -200 basis points ("b.p.")	$53,667	$0	$53,667	$5,656
- -100 b.p.	50,744	37	50,781	2,770
Unchanged	46,870	1,140	48,010	0
+100 b.p.	42,967	4,844	47,811	-199
+200 b.p.	39,296	8,389	47,685	-325

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 December 31, 2001. 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 December 31, 2001.

Commodity Risk Disclosure
(In thousands)

		Market Value of			
Coffee Cost	Coffee	December 31, 2001		Change in Market Value	
Change	Inventory	Futures & Options	Totals	Derivatives	Inventory

-10%	$12,675	$104	$12,779	$285	($1,408)
unchanged	14,083	(181)	13,902	-	-
10%	15,491	(466)	15,025	(285)	1,408

At December 31, 2001 the derivatives consisted mainly of commodity futures and commodity purchase agreements with maturities shorter than three months.

PART II OTHER INFORMATION

Item 4. Submission of matters to a vote of security holders.

The Annual Meeting of Shareholders of Farmer Bros. Co. was held on November 26, 2001. Holders of the Company's common stock were entitled to one vote per share of common stock held.

Six directors were elected at the meeting, each to serve for the coming year and until any successors are elected and qualify. The following persons were elected as directors: Roy F. Farmer, Roy E. Farmer, John H. Merrell, Lewis A. Coffman, Guenter W. Berger and John M. Anglin.

The approval of the restatement and amendment of the Company's Articles of Incorporation was approved by the affirmative vote of 1,587,928 shares in favor, 121 shares against and 91 shares abstaining.

The proposal to appoint Ernst & Young LLP as the independent accountants for the Company for the year ended June 30, 2002 was approved with 1,530,919 shares for, 526 shares against and 46,695 shares abstaining.

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: January 30, 2002 Farmer Bros. Co.
(Registrant)

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