
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

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

Date of Report (Date of earliest event reported): **September 29, 2008**

Farmer Bros. Co.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

0-1375
(Commission File Number)

95-0725980
(I.R.S. Employer
Identification No.)

20333 South Normandie Avenue, Torrance, California
(Address of Principal Executive Offices)

90502
(Zip Code)

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

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Compensatory Arrangements of Certain Officers.

(a) Fiscal 2009 Executive Officer Base Salaries

On September 29, 2008, the Compensation Committee of the Board of Directors (the "Board") of Farmer Bros. Co., a Delaware corporation (the "Company"), approved base salaries for the Company's executive officers for the fiscal year ending June 30, 2009, as follows: \$390,000 for Roger M. Lavery III, Chief Executive Officer and President; \$314,000 for Drew H. Webb, Executive Vice President and Chief Operating Officer; \$299,000 for John E. Simmons, Treasurer and CFO; and \$299,000 for Michael J. King, Vice President, Sales. The increase in base salaries reflect a 4% cost of living adjustment over fiscal 2008 salary levels, prorated, in the case of Mr. Webb, based on his tenure with the Company. The increases in base salaries will be retroactive to July 1, 2008, the first day of fiscal 2009.

Fiscal 2008 Incentive Compensation Awards: Bonus

On September 29, 2008, the Compensation Committee approved executive officer bonus awards for the fiscal year ended June 30, 2008 under the Farmer Bros. Co. 2005 Incentive Compensation Plan (the "2005 Plan"), a copy of which was previously filed by the Company on Form 8-K filed with the SEC on October 12, 2005. For fiscal 2008, the Compensation Committee designated Roger M. Lavery III, John E. Simmons and Michael J. King as participants in the 2005 Plan. For fiscal 2008, the Compensation Committee set the target awards of Messrs. Lavery, Simmons and King at \$225,000, \$150,000, \$150,000, respectively. At year-end, bonuses were awarded based on the level of achievement of Company financial performance criteria and each participant's original goals. The Compensation Committee has discretion to increase, decrease, or entirely eliminate the bonus amount derived from the 2005 Plan's formula. Based on the foregoing, the Compensation Committee approved fiscal 2008 cash incentive bonus awards for the Company's executive officers as follows: \$175,000 for Mr. Lavery; \$100,000 for Mr. Simmons; and \$100,000 for Mr. King. The form of award letter under the 2005 Plan for fiscal 2008 is filed herewith as Exhibit 10.1 and is incorporated herein by reference.

On September 29, 2008, the Compensation Committee approved a non-recurring bonus of \$58,000 for Drew H. Webb, the Company's Executive Vice President and Chief Operating Officer, reflecting his contribution to the Company from March 3, 2008, the date of his hire, through the end of fiscal 2008. Mr. Webb did not participate in the 2005 Plan in fiscal 2008.

Item 8.01. Other Events.

Declaration of Quarterly Dividend

On October 2, 2008, the Company issued a press release announcing the declaration of a quarterly dividend. A copy of the press release is filed herewith as Exhibit 99.1 and is incorporated herein by reference.

2008 Annual Meeting of Stockholders

On September 30, 2008 the Board of Directors scheduled the 2008 Annual Meeting of Stockholders for December 11, 2008. The meeting will be held at the Company's headquarters in Torrance.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| | |
|-------|--|
| 10.1* | Form of Award Letter (Fiscal 2008) under Farmer Bros. Co. 2005 Incentive Compensation Plan |
| 99.1 | Press Release of Farmer Bros. Co. dated October 2, 2008 |

* Management contract or compensatory plan or arrangement.

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SIGNATURE

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 hereunto duly authorized.

Dated: October 2, 2008

FARMER BROS. CO.

By: /S/ JOHN E. SIMMONS

Name: John E. Simmons

Title: Treasurer, Chief Financial Officer

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EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|---------------------------|--|
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**FORM OF FISCAL 2008
AWARD LETTER
UNDER FARMER BROS. CO.
2005 INCENTIVE COMPENSATION PLAN**

Dear :

The Compensation Committee ("Committee") chose you to be a participant in fiscal 2008 in the Farmer Bros. Co. 2005 Incentive Compensation Plan. Your target award for fiscal 2008 was \$, which the Committee determined by taking into consideration past total annual compensation, current base salary, job responsibilities and past and expected job performance.

In general, your bonus for fiscal 2008 was determined primarily by measuring the Company's financial performance and your achievement of individual goals which the Committee assigned to you.

The Company's financial performance was gauged by the level of achievement of operating cash flow and net sales as defined, and as determined from the Company's audited financial statements. A matrix is attached which shows various percentages between 25% and 150% depending on the combined level of achievement of these two criteria. For fiscal 2008, based on the Company's fiscal 2008 audited consolidated financial statements, the Company's operating cash flow was approximately \$ million, as adjusted by the Committee, and net sales were approximately \$ million. Based on the Company's achievement of these two criteria during fiscal 2008, the percentage derived from the matrix for fiscal 2008 is %.

The Committee also assigned certain individual goals to you for fiscal 2008 which were communicated to you by the Committee last December. The committee has determined your level of achievement of each assigned goal within a range of 60% to 120% and multiplied such percentage by the weight originally assigned to each such goal. Your weighted average level of achievement of your assigned goals was %.

That percentage was multiplied by %, the financial performance percentage derived from the matrix as described above. The resulting product was then multiplied by your fiscal 2008 target award to determine your preliminary bonus award for fiscal 2008. Based on the foregoing, the Committee has determined your fiscal 2008 **preliminary** bonus award is \$.

Under the Plan, the preliminary award is subject to adjustment, upward or downward, by the Committee in its discretion. The committee also has the discretion to alter the financial performance criteria and individual goals during the year and to decline to award any bonus should the committee determine such actions to be warranted by a change in circumstances. For fiscal 2008 the Committee has determined to exercise its discretion to adjust your preliminary bonus award principally in light of your efforts on strategic projects and to encourage a continuation of these efforts. As a result, your fiscal 2008 **final** bonus award is \$.

You are advised that the Committee may or may not choose to exercise its discretion with respect to awards in the future. Further, you are reminded to promptly contact the Committee in the event circumstances dictate reexamination of originally assigned goals by the Committee.

The Committee has determined that the award will be paid on a current basis under the Plan. All awards are governed by the Plan provisions which control any inconsistency with this letter.

Please let me know if you have any questions.

Very truly yours,

Thomas A. Maloof
Compensation Committee Chairman

cc: James McGarry
 John Merrell
 John Anglin, Secretary

NEWS RELEASE**October 2, 2008****FARM - - NASDAQ NATIONAL MARKET SYSTEM****Farmer Bros. Board Declares Dividend**

TORRANCE, CALIF. – (BUSINESS WIRE) – Oct. 2, 2008 – Farmer Bros. Co. (Nasdaq: FARM) announced that its Board of Directors declared a regular dividend of \$0.115 per share, payable on November 24, 2008 to shareholders of record on October 24, 2008.

Farmer Bros. Co. is an institutional coffee roaster that sells a variety of coffee and allied products to the food service industry and private-label customers such as retailers. The Company's signature Farmer Bros. trucks and vans bearing the "Consistently Good" logo are seen throughout Farmer Brothers' 28-state service area. The Company's wholly owned Coffee Bean Intl. is one of the nation's leading specialty coffee roasters and wholesalers. Farmer Brothers has paid a dividend in every year since 1953, increased its dividend in every year since 1997, and its stock price has risen on a split-adjusted basis from \$1.80 a share in 1980. For more information, go to: www.farmerbroscousa.com.

Contact:

Jim Lucas / Abernathy MacGregor Group / 213-630-6550
