

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A

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

For Quarter Ended March 31, 1995

Commission file number 0-1375

FARMER BROS. CO.

California
State of Incorporation

95-0725980
Federal ID Number

20333 S. Normandie Avenue, Torrance, California
Registrant's Address

90502
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 ☒ NO ☐

Number of shares of Common Stock outstanding: 1,926,414 as of March 31, 1995.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Dollars in thousands, except per share data)

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

	For the three months ended March 31,		For the nine months ended March 31,	
	1995	1994	1995	1994
Net sales	\$59,514	\$48,628	\$176,294	\$145,191
Cost of goods sold	32,696	21,817	93,483	64,747
	26,818	26,811	82,811	80,444
Selling expense	18,958	18,605	56,578	55,825
General and administrative expenses	3,412	3,527	9,248	8,804
	22,370	22,132	65,826	64,629
Income from operations	4,448	4,679	16,985	15,815
Other income (expense):				
Dividend income	638	305	1,836	921
Interest income	1,154	879	3,102	2,700
Other	(857)	655	(991)	1,383
	935	1,839	3,947	5,004
Income before provision for income taxes	5,383	6,518	20,932	20,819
Provision for income taxes	2,163	2,586	8,249	8,326
Net income	\$ 3,220	\$ 3,932	\$ 12,683	\$ 12,493

Net income per share	\$1.67	\$2.04	\$6.58	\$6.49
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The accompanying notes are an integral part of these financial statements.

FARMER BROS. CO.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	March 31, 1995	June 30, 1994
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,249	\$ 8,681
Short term investments	21,756	34,839
Accounts and notes receivable, net	18,648	15,975
Tax refund receivable	-	5,357
Inventories	36,478	34,910
Deferred income taxes	2,905	2,905
Prepaid expenses and other	1,212	708
Total current assets	90,248	103,375
Property, plant and equipment, net	31,244	28,943
Notes receivable	1,929	1,257
Investments	93,929	71,960
Deferred taxes and other assets	16,366	14,368
Total assets	\$233,716	\$219,903
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 6,493	\$ 3,372
Accrued payroll expenses	4,540	4,573
Other	3,826	4,543
Total current liabilities	14,859	12,488
Other long term liabilities	11,302	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	205,749	195,955
Net unrealized change in investment securities	(688)	(1,044)
Total shareholders' equity	207,555	197,405
Total liabilities and shareholders' equity	\$233,716	\$219,903

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

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

	For the nine months ended March 31,	
	1995	1994
Cash flows from operating activities:		
Net Income	\$ 12,683	\$ 12,493
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,922	3,717
Other	(143)	(22)
Net (gain) loss on investments	1,430	(1,007)
Change in assets and liabilities:		
Short term investments	-	(7,712)
Accounts and notes receivable	(2,667)	(2,120)
Inventories	(1,568)	(1,935)
Tax refund receivable	5,357	-
Prepaid expenses and other assets	(1,951)	(2,467)
Accounts payable	3,121	(1,062)
Accrued payroll expenses and other liabilities	(750)	22
Other long term liabilities	1,292	738
Total adjustments	8,043	(11,848)
Net cash provided by operating activities	\$ 20,726	\$ 645

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

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

	For the nine months ended March 31,	
	1995	1994
Net cash provided by operating activities:	\$ 20,726	\$ 645
Cash flows from investing activities		
Purchases of property, plant and equipment	(6,348)	(4,553)
Proceeds from sales of property, plant and equipment	255	201
Purchases of investments	(103,227)	(64,695)
Proceeds from sales of investments	92,730	20,178
Notes issued	(761)	(833)
Notes repaid	83	1,025
Net cash (used in) investing activities	(17,268)	(48,677)
Cash flows from financing activities:		
Dividends paid	(2,890)	(2,890)
Net cash used in financing activities	(2,890)	(2,890)
Net (decrease) in cash and cash equivalents	568	(50,922)
Cash and cash equivalents at beginning of year	8,681	64,742
Cash and cash equivalents at end of quarter	\$ 9,249	\$ 13,820
Supplemental disclosure of cash flow information:		
Income tax payments	\$ 6,921	\$ 8,363

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

A. Unaudited Financial Statements

The accompanying unaudited financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. It is Management's opinion that all adjustments of a normal recurring nature necessary for a fair statement of the results of operations for the interim periods have been made.

B. Inventories

	Processed	Unprocessed	Total
	(In thousands)		
March 31, 1995			
Coffee	\$ 3,139	\$10,905	\$14,044
Allied products	10,143	4,625	14,768
Coffee brewing equipment	1,792	5,874	7,666
	\$15,074	\$21,404	\$36,478
June 30, 1994			
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

C. Accounting Policy Change

Effective July 1, 1994, the Company adopted the provisions of Statement of Financial Accounting Standards No. 115 ("SFAS 115"), "Accounting for Certain Investments in Debt & Equity Securities." In accordance with SFAS 115, prior period financial statements have not been restated. The adoption of SFAS 115 did not have a material effect upon the consolidated financial statements. The Company's investments are currently classified as available for sale and are carried at fair value with unrealized gains or losses excluded from earnings and reported as a separate component of shareholders' equity. The Company previously reported a portion of its portfolio as trading in prior 1995 quarterly reports. The Company believes these investments are more appropriately reported as available for sale and have been reclassified in the third quarter. The impact on net income for the nine months ended March 31, 1995 was not material. The cost of investments sold is determined on the specific identification method. Dividend and interest income are accrued as earned.

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

	3/31/95	7/1/94
Maturities	Fair Value	Fair Value
	(In thousands)	
Within one year	\$21,756	\$34,924
After 1 year through 5 years	61,242	38,621
After 5 years through 10 years	1,503	1,796
	\$84,501	\$75,341

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

Registrant's operations in the third quarter of fiscal 1995 continue to reflect the high prices of green coffee. Green coffee costs for the nine months exceed those of the prior year by more than 40%. Higher sales prices of roast coffee have passed along most cost increases, but higher prices result in lower volume and gross profit margins have not been as strong as in prior years. Gross profit and operating expenses compare favorably with the same periods of the prior fiscal year. Registrant cautions that the green coffee market becomes even more volatile as we approach the traditional Brazilian frost season, and is unable to predict either the direction of green coffee costs or whether current profit margins can be maintained in this critical raw material.

Net sales for the third quarter of fiscal 1995 increased 22% to \$59,514,000 as compared to \$48,628,000 in the same quarter of the prior year. Net sales for the first nine months of fiscal 1995 increased 21% to \$176,294,000 from \$145,191,000 in the same period of fiscal 1994. Gross profit in the third quarter was \$26,818,000 or 45% of sales, as compared to \$30,085,000 or 48% of sales, in the second quarter of fiscal 1995 and \$26,811,000, or 55% of sales, in the third quarter of fiscal 1994. Gross profit for the first nine months of fiscal 1995 increased 3% to \$82,811,000 from \$80,444,000 in the same period of the prior fiscal year. Operating expenses reached \$22,370,000 in the third quarter of fiscal 1995, as compared to \$22,132,000 in the third quarter of fiscal 1994. Operating expenses for the first three fiscal quarters increased 2% to \$65,826,000 in 1995 as compared to \$64,629,000 in the same period of the prior fiscal year.

Net income for the three months ended March 31, 1995, reached \$3,220,000, or \$1.67 per share, as compared to \$5,706,000, or \$2.96 per share, in the second quarter of fiscal 1995, and \$3,932,000 or \$2.04 per share in the third quarter of fiscal 1994.

Quarterly Summary of Results (in thousands of dollars)

	03/31/94	06/30/94	09/30/94	12/31/94	03/31/95
Net sales	48,628	48,671	54,182	62,598	59,514
Gross profit	26,811	13,853	25,908	30,085	26,818
Operating income	4,679	(6,324)	4,514	8,023	4,448
Net income	3,932	(2,163)	3,757	5,706	3,220

Quarterly Summary of Results (as a percentage of sales)

	03/31/94	06/30/94	09/30/94	12/31/94	03/31/95
Net sales	100.00	100.00	100.00	100.00	100.00
Gross profit	55.13	28.46	47.82	48.06	45.06
Operating income	9.62	(12.99)	8.33	12.82	7.47
Net income	8.09	(4.44)	6.93	9.12	5.41

Quarterly Summary of Results (in dollars)

	03/31/94	06/30/94	09/30/94	12/31/94	03/31/95
EPS	2.04	(1.13)	1.95	2.96	1.67

PART II OTHER INFORMATION

Item 1.	Legal proceedings.	not applicable.
Item 2.	Changes in securities.	none.
Item 3.	Defaults upon senior securities.	none.
Item 4.	Submission of matters to a vote of security holders.	none.
Item 5.	Other information.	none.
Item 6.	Exhibits and reports on Form 8-K.	
(a)	Exhibits.	
	(2) Plan of acquisition, reorganization, arrangement, liquidation or succession	not applicable.
	(4) Instruments defining the rights of security holders, including indentures.	not applicable.
	(11) Statement re computation of per share earnings.	not applicable.
	(15) Letter re unaudited interim financial information.	not applicable.
	(18) Letter re change in accounting principles.	not applicable.
	(19) Report furnished to security holders	not applicable.
	(22) Published report regarding matters submitted to vote of security holders.	not applicable.
	(23) Consents of experts and counsel.	not applicable.
	(24) Power of attorney.	not applicable.
	(27) Financial Data Schedule	See attached Form EX-27.
	(99) Additional exhibits.	not applicable.
(b)	Reports on Form 8-K	none.

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: September 27, 1995

FARMER BROS. CO.
(Registrant)

John E. Simmons

John E. Simmons
Treasurer and
Chief Financial Officer

3-MOS		9-MOS	
JUN-30-1995		JUN-30-1995	
MAR-31-1995		MAR-31-1995	
	9249		9249
	21756		21756
	18648		18648
	445		445
	36478		36478
	90248		90248
	31244		31244
	49308		49308
	233716		233716
14859		14859	
	0		0
	1926		1926
0		0	
	0		0
	0		0
233716	233716		
	59514		176294
59514		176294	
	32696		93483
	22370		65826
	0		0
	0		0
0		0	
5383		20932	
2163		8249	
0		0	
	0		0
	0		0
	0		0
	3220		12683
	1.67		6.58
	1.67		6.58