
**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 15, 2011

Farmer Bros. Co.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-34249
(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. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On September 15, 2011, the Compensation Committee of the Board of Directors of Farmer Bros. Co., a Delaware corporation (the “Company”), established target incentive compensation awards under the Farmer Bros. Co. 2005 Incentive Compensation Plan (the “Plan”) for the Company’s executive officers shown in the table below as a percentage of base salary. The target incentive percentages result in target bonus dollar amounts, which are also shown in the table below.

<u>Name</u>	<u>Title</u>	<u>Target Bonus(1)</u>	<u>Percent of Fiscal 2012 Base Salary</u>
Jeffrey A. Wahba	Interim Co-Chief Executive Officer, Treasurer and Chief Financial Officer	\$ 192,500	55%
Patrick G. Criteser	Interim Co-Chief Executive Officer, President and Chief Executive Officer of Coffee Bean International, Inc.	\$ 192,500	55%
Mark A. Harding	Senior Vice President of Operations	\$ 137,500	50%
Hortensia R. Gómez	Vice President, Controller and Assistant Treasurer	\$ 55,350	30%
Larry B. Garrett	General Counsel and Assistant Secretary	\$ 135,000	50%

(1) Dollar amounts shown will change if base salary changes during fiscal 2012.

The Compensation Committee determined that for purposes of fiscal 2012 bonus determinations under the Plan, the Company’s financial performance will be gauged by the level of achievement of operating cash flow as determined from the Company’s audited financial statements. “Operating cash flow” is defined as income from operations after executive bonus accruals, excluding non-recurring items such as income from the sale of capital assets, severance paid or payable to terminated employees, interest expense, depreciation and amortization, pension related expense and ESOP compensation expense. Subject to the Committee’s discretion under the Plan, threshold operating cash flow of \$16 million must be achieved in fiscal 2012 to earn any bonus payout under the Plan. Assuming this threshold is reached, a percentage of achievement ranging from 80% for operating cash flow of \$16 million to 150% for operating cash flow of \$30 million or more will be assigned in proportion to the level of operating cash flow achieved. The Compensation Committee also assigned individual goals for fiscal 2012 to each of the executive officers shown in the table above.

At the end of the fiscal year, bonus awards will be determined primarily by measuring the Company’s financial performance and the executive officer’s achievement of individual goals. The method for calculating bonus awards is set forth in the Form of Target Award Notification Letter (Fiscal 2012) under the Plan, a copy of which is attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.**(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
10.1	Form of Target Award Notification Letter (Fiscal 2012) Under Farmer Bros. Co. 2005 Incentive Compensation Plan*

* Management contract or compensatory plan or arrangement.

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: September 21, 2011

FARMER BROS. CO.

By: /s/ Jeffrey A. Wahba

Jeffrey A. Wahba
Interim Co-Chief Executive Officer,
Treasurer and Chief Financial Officer

EXHIBIT INDEX

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[illegible]

Bonus Determination

After the end of the fiscal year and promptly upon availability of the Company's audited financial statements, the Committee will determine the Company's level of operating cash flow and the resulting percentage of achievement.

At such time, the Committee will also determine your percentage of achievement of each of the assigned individual goals in a range of 0% to 150% as determined by the Committee in its discretion, and each goal will be weighted as shown above to arrive at a composite percentage for achievement of the assigned goals.

The achievement percentages for operating cash flow and for your assigned goals will be added together and multiplied by your Target Bonus Percentage. The product will be multiplied by your fiscal 2012 annual base salary. The result will be the amount of your preliminary bonus award for fiscal 2012. The preliminary bonus award is subject to adjustment, upward or downward, by the Compensation Committee in its discretion. The Committee also has the discretion to alter the Company financial performance measure 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. Accordingly, no bonus is earned unless and until an award is actually made by the Committee after year-end.

Example

Assume that your annual base salary for fiscal 2012 is \$250,000 [and did not change during the year], your target award is 40% of your annual base salary and that Company financial performance is to be weighted at 80% and individual goals are to be weighted at 20%. Assume also that you have been assigned four individual goals, weighted evenly. Assuming the levels of achievement set forth below, your bonus would be determined as follows:

Performance Measure/Goal	Weighting	Achievement	Achievement %	Weighted Level of Achievement (Weighting x Achievement %)
Operating Cash Flow	80%	\$30 million	150%	120%
Individual Goal #1	5%	- -	100%	5%
Individual Goal #2	5%	- -	50%	2.5%
Individual Goal #3	5%	- -	125%	6.25%
Individual Goal #4	5%	- -	75%	3.75%
Total achievement percentage				137.5%

The preliminary bonus is the product of your total achievement percentage multiplied by your Target Bonus Percentage multiplied by your base salary. In the above example, the preliminary bonus amount is \$137,500 (137.5% x 40% x \$250,000). The Committee has discretion to change your preliminary bonus amount to arrive at your final bonus amount. However, absent extraordinary circumstances, the Committee does not intend to exercise discretion to award bonuses if the threshold operating income of \$16 million is not achieved.

The Committee intends that the bonus structure described above will encourage teamwork among key management personnel as well as individual achievement. The Company and individual goals are not intended to be easily achievable. The Committee can determine to pay awards on a current or deferred basis, or partly on each.

All awards are governed by the Plan provisions which control any inconsistency with this letter. A copy of the Plan is enclosed.

Please let me know if you have any questions. We wish you great success for fiscal 2012!

Very truly yours,

Thomas A. Maloof
Compensation Committee Chairman

cc: Compensation Committee Members