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): **December 2, 2008**

Farmer Bros. Co.
(Exact Name of Registrant as Specified in Charter)

Delaware	**0-1375**	**95-0725980**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

20333 South Normandie Avenue, Torrance, California	**90502**
(Address of Principal Executive Offices)	(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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On December 2, 2008, Farmer Bros. Co., a Delaware corporation (the “Company”), entered into an Asset Purchase Agreement (the “Purchase Agreement”), by and among the Company, as Buyer, Sara Lee Corporation, a Maryland corporation (“Seller”), and Saramar, L.L.C., a Delaware limited liability company (“Saramar” and collectively with Seller, the “Seller Parties”). Seller is the parent company of Saramar.

Pursuant to the Purchase Agreement, the Company will purchase certain assets used in connection with the Seller Parties’ DSD Coffee Business in the United States, which business generally consists of manufacturing and selling coffee, tea and related products through a network of facilities and vehicles. This business also includes the distribution, sale and service of brewed and liquid coffee equipment. Apart from the DSD Coffee Business, the Company will also have the right to distribute sauces and dressings to customers of the DSD Coffee Business.

The assets to be purchased include, among other things, the following: (i) a manufacturing plant in Houston, Texas, a spice plant in Oklahoma City, Oklahoma, and a warehouse in Indianapolis, Indiana; (ii) approximately 61 leased branch facilities in 31 states; (iii) a vehicle fleet consisting of approximately 445 owned and leased vehicles; (iv) certain tangible personal property; (v) inventories of raw materials, work in process, finished goods and packaging; (vi) certain contracts, permits, books and records; (vii) prepaid expenses relating to the DSD Business; and (viii) all goodwill relating to the DSD Business. The Company is also acquiring Seller Parties’ rights (including related goodwill) in the trademarks and trade names relating to the SUPERIOR®, MCGARVEY®, CAIN’S®, IRELAND®, JUSTIN LLOYD®, METROPOLITAN®, PREBICA®, WECHSLER®, WORLD’S FINEST® and CAFÉ ROYAL® brands. Seller Parties will retain all assets that are not part of the purchased assets.

At closing, the Company will assume certain liabilities, including obligations under contracts, environmental liabilities with respect to the transferred facilities, pension liabilities, advertising and trade promotion accruals, and accrued vacation as of the closing for hired personnel. Seller Parties will retain all liabilities that are not specifically assumed by the Company.

The purchase price is $45.39 million, subject to certain adjustments. The Company expects to fund the purchase price with cash and debt, which may include a $20 million secured promissory note in favor of Seller in the event the Company has not secured financing with a bank or other commercial lender prior to closing. The purchase price is subject to adjustment based on the amount of consumable inventory and prepaid expenses at closing. The amount paid at closing will include additional amounts associated with (i) certain accounting costs and costs to provide the Company with information technology to operate the purchased assets, which costs will be shared by the parties; and (ii) reimbursement by the Company of certain accrued vacation associated with the hired personnel. The transaction is expected to close by January 31, 2009.

In connection with the closing, the Seller Parties and the Company will enter into certain operational agreements, including trademark and formula license agreements, co-pack agreements, a liquid coffee distribution agreement, a transition services agreement, and a green coffee and tea purchase agreement.

The Purchase Agreement contains customary representations, warranties and covenants, including representations and warranties by Seller Parties about the DSD Business, the purchased assets, operations and liabilities. Covenants in the Purchase Agreement include, among others, (i) a covenant by the Company to offer employment on an at-will basis to the employees of the DSD Business at closing; (ii) a covenant by Seller to provide certain historical financial statements of the DSD Business; (iii) a limited non-competition covenant of Seller; (iv) a mutual covenant relating to nonsolicitation of employees; and (v) a covenant relating to Buyer's obligation to pursue bank financing from banks or other commercial lenders.

The transaction is subject to customary closing conditions, as well as completion of the information technology carve-out and delivery of historical financial statements of the DSD Business. The Purchase Agreement also includes customary indemnification obligations of the parties.

The Purchase Agreement may be terminated by mutual written consent of the Company and Seller, or by either the Company or Seller if: (i) subject to a notice and cure period, the other party has failed to comply with any of its obligations or agreements; (ii) subject to a notice and cure period, there has been a breach by the other party of any representation or warranty; (iii) a governmental authority has taken any action permanently restraining, enjoining or otherwise prohibiting the transaction; or (iv) the closing date has not occurred on or before March 28, 2009.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the Purchase Agreement which will be filed as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ending December 31, 2008.

Item 7.01. Regulation FD Disclosure

A copy of the press release issued on December 3, 2008 announcing the execution of the Purchase Agreement is attached hereto as Exhibit 99.1.

The information set forth under this Item 7.01, "Regulation FD Disclosure" attached hereto, shall not be deemed "filed" for the purposes of Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference in any filing under the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated December 3, 2008 regarding the Asset Purchase Agreement

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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: December 8, 2008

FARMER BROS. CO.

By: /s/ JOHN E. SIMMONS
Name: John E. Simmons
Title: Treasurer, Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated December 3, 2008 regarding the Asset Purchase Agreement

Exhibit 99.1

News Release

Farmer Bros. to Acquire Sara Lee's
Direct-Store Delivery Coffee Business

- ***Would Nearly Double Revenues and Extend Reach Nationwide***
- ***Would Enhance Operating Profit***

TORRANCE, Calif. – (BUSINESS WIRE) – Dec. 3, 2008 – Farmer Bros. Co. (Nasdaq: FARM) announced a definitive agreement to acquire from Sara Lee Corp. (NYSE: SLE) its U.S. direct-store delivery (DSD) Foodservice coffee business.

The $45-million acquisition is expected to nearly double Farmer Bros. revenue, extend its reach to all 48 mainland states and make it the nation's largest direct-store delivery business for coffee and allied products.

"This acquisition will allow us to quickly achieve our long-term goals of coast-to-coast market penetration, cost reductions and margin improvements as a result of economies of scale, and improved returns on our invested capital," said Rocky Laverty, Chief Executive Officer of Farmer Bros. Co. "This is a once-in-a-lifetime opportunity for Farmer Bros.

"As we integrate the Sara Lee Foodservice DSD coffee business into Farmer Bros., we will be able to deliver a more robust portfolio of products to meet every taste and price point while providing a truly national network for distribution and service," added Laverty. "We will have more of the tools to help our customers – from national chains to independent restaurants – compete with 'the perfect cup' of coffee."

Through the transaction, Farmer Bros. will acquire more than 20,000 additional customers; the Foodservice coffee business' sales and distribution staff and infrastructure (including more than 60 "branch" facilities and a fleet of vehicles; a major coffee manufacturing plant in Houston; a distribution and spice facility in Oklahoma City); and 10 popular coffee brands, including a leading institutional brand, *Superior Coffee*. Also, several members of the Foodservice coffee business' senior management team have agreed to join Farmer Bros.

Farmer Bros. expects the acquisition to contribute incremental positive cash flow within six to 12 months after the closing. This will be done through lowering corporate expenses and reducing warehousing and transportation costs. The full cost savings and profit enhancements from the combination are expected to be achieved over three years after the closing.

Farmer Bros. has developed a detailed integration plan, which will be implemented by executives from both organizations.

"Our first priority after the closing will be to maintain excellent customer service throughout the organization. By the second year we expect to begin capturing more of the cost savings and economies of scale that can lead to margin improvements and operating profitability," said Drew H. Webb, Executive Vice President and Chief Operating Officer, who will lead the integration process.

"The integration process also will focus on ways to help customers become more competitive – in particular, we will look for opportunities to present customers with a broader range of choices of the popular brands from the Sara Lee Foodservice DSD coffee business and Farmer Bros. as well as the specialty coffee roasts and marketing programs from Coffee Bean Intl., which we acquired in 2007," added Webb. "The ultimate goal of our integration process will be to position the combined organization to efficiently compete both locally and nationally in all of our market segments – even in difficult economic environments."

With this acquisition, Farmer Bros. hopes to be a leader in all key markets of the U.S. It will serve restaurants and other food-service operators with a wide assortment of coffee brands as well as allied products such as cappuccino and cocoa mixes and spices.

The closing is expected in the first quarter of calendar 2009. The transaction will be financed with cash and debt and is structured as an asset purchase.

Kerlin Capital Group LLC acted as financial advisor to Farmer Bros. on the transaction.

About Farmer Bros.

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, 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.

About Sara Lee Corporation

Each and every day, Sara Lee (NYSE: SLE) delights millions of consumers and customers around the world. The company has one of the world's best-loved and leading portfolios with its innovative and trusted food, beverage, household and body care brands, including *Ambi Pur, Ball Park, Douwe Egberts, Hillshire Farm, Jimmy Dean, Kiwi, Sanex, Sara Lee* and *Senseo*. Collectively, these brands generate more than $13 billion in annual net sales covering approximately 200 countries. The Sara Lee community consists of 44,000 employees worldwide. Please visit www.saralee.com for the latest news and in-depth information about Sara Lee and its brands.

Forward-Looking Statements

Certain statements contained in this press release 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, our ability to successfully integrate both DSD and the CBI Acquisitions, 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, weather and special or unusual events, and changes in the quality or dividend stream of the third party’s securities and other investment vehicles in which the Company has invested its short-term assets, as well as other risks described in this press release and the annual report filed by the Company on Form 10-K and other factors described from time to time in the Company’s filings with the SEC.

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