
**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 10, 2009

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

(b) Officer Resignation

On December 14, 2009, John E. Simmons resigned as an officer of Farmer Bros. Co., a Delaware corporation (the “Company”), and also resigned all directorships and offices in any Company subsidiary. To assist in the transition of his responsibilities, Mr. Simmons’ last day of employment with the Company will be February 28, 2010. Until such time, Mr. Simmons will remain a full-time employee of the Company at his existing base salary and with such benefits as accrue to his employment status under Company benefit plans.

(d) Appointment of Directors

On December 10, 2009, at the 2009 Annual Meeting of Stockholders (the “Annual Meeting”), the stockholders of the Company elected Jeanne Farmer Grossman and John H. Merrell to serve as Class III directors of the Company for a three-year term of office expiring at the 2012 Annual Meeting of Stockholders. Ms. Grossman has been appointed to the Compensation and Nominating Committees. Mr. Merrell will continue to serve as Chairman of the Audit Committee and member of the Compensation and Nominating Committees.

In connection with their service as directors, Ms. Grossman and Mr. Merrell will receive the Company’s standard non-employee director compensation. As a new director, Ms. Grossman and the Company will enter into the Company’s standard form of Indemnification Agreement for directors and officers, pursuant to which the Company will, to the extent permitted by applicable law, indemnify and hold harmless Ms. Grossman against all expenses, judgments, fines, penalties and amounts paid in settlement in connection with any threatened, pending or completed proceeding by reason of her status as a director. The foregoing description is qualified in its entirety by the full text of the form of Indemnification Agreement, which is filed herewith as Exhibit 10.1 (to update the schedule of indemnitees), and is incorporated herein by reference. Mr. Merrell previously entered into the same agreement with the Company.

(e) Equity Awards

Non-Employee Directors

In conjunction with the Annual Meeting, the Board of Directors, in accordance with the provisions of the Farmer Bros. 2007 Omnibus Plan (the “Omnibus Plan”), granted to each of the Company’s non-employee members of the Board 2,173 shares of restricted stock based on the closing price of the Company’s common stock as reported on the Nasdaq Global Market on December 10, 2009, the date of grant. The shares will vest ratably over three years, subject to the non-employee director’s continued service to the Company. The Board members who received this award were: Guenter W. Berger, Jeanne Farmer Grossman, Martin A. Lynch, Thomas A. Maloof, James J. McGarry and John H. Merrell. The awards of restricted stock were granted under the Omnibus Plan pursuant to the Company’s form of Restricted Stock Award Grant Notice and Restricted Stock Award Agreement, which was previously filed as Exhibit 10.2 to the Company’s Current Report on Form 8-K filed with the SEC on February 26, 2008 and incorporated herein by reference.

Named Executive Officers

In conjunction with the Annual Meeting, the Compensation Committee of the Board, in accordance with the provisions of the Omnibus Plan, approved grants of non-qualified stock options and restricted stock to certain of the Company's employees, including the following grants to the Company's Named Executive Officers:

Name	Title	Shares of Common Stock Issuable Upon Exercise of Options	Shares of Restricted Stock
Roger M. Lavery III	President and Chief Executive Officer	72,828	11,172
Drew. H. Webb	Executive Vice President and Chief Operating Officer	22,542	3,458
Heidi L. Modaro	Vice President Sales and Operations, Coffee & Tea	12,138	1,862
Hortensia R. Gómez	Vice President & Controller	3,468	532

The stock options have an exercise price equal to \$18.41 per share, which was the closing price of the Company's common stock as reported on the Nasdaq Global Market on December 10, 2009, the date of grant. The stock options have a seven year term expiring on December 10, 2016 and vest ratably over three years. The stock options were granted under the Omnibus Plan pursuant to the Company's form of Stock Option Grant Notice and Stock Option Agreement, which was previously filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 26, 2008 and incorporated herein by reference.

The shares of restricted stock vest on December 10, 2012. The awards of restricted stock were granted under the Omnibus Plan pursuant to the Company's form of Restricted Stock Award Grant Notice and Restricted Stock Award Agreement, which was previously filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on February 26, 2008 and incorporated herein by reference.

Fiscal 2010 Target Bonuses

The Compensation Committee of the Board previously established target incentive compensation awards under the Farmer Bros. Co. 2005 Incentive Compensation Plan (the "Plan") for the Company's Named 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.

Name	Title	Target Bonus	Percent of Fiscal 2010 Base Salary
Roger M. Lavery III	President and Chief Executive Officer	\$ 318,750	75%
Drew H. Webb	Executive Vice President and Chief Operating Officer	\$ 172,700	55%
John E. Simmons	Treasurer and Chief Financial Officer	\$ 164,450	55%
Heidi L. Modaro	Vice President Sales and Operations, Coffee & Tea	\$ 112,500	45%
Hortensia R. Gómez	Vice President & Controller	\$ 45,000	25%

Due to his resignation as an officer of the Company as described under Item 5.02(b) above, Mr. Simmons will no longer be a participant in the Plan for fiscal 2010.

On December 10, 2009, the Compensation Committee determined that for purposes of fiscal 2010 bonus determinations under the Plan, the Company's financial performance will be gauged by the level of operating cash flow (weighted at 70%) and net sales (weighted at 30%) as determined from the Company's audited financial statements. "Operating cash flow" is defined as income from operations, after bonus accruals and excluding non-recurring items such as income from the sale of capital assets, plus depreciation and ESOP compensation expense. Subject to the Compensation Committee's discretion under the Plan, threshold operating cash flow of \$22.35 million must be achieved in fiscal 2010 to earn any bonus payout under the Plan. Assuming this threshold is achieved, a multiplier ranging from 0.0x to 1.5x will be assigned depending upon the level of achievement of operating cash flow and net sales.

On December 10, 2009, the Compensation Committee also assigned individual goals for fiscal 2010 to each of the Named Executive Officers shown in the table above (other than Mr. Simmons). The individual goals have not been included in this description in order to maintain the confidentiality of the Company's confidential commercial or business information.

At the end of the fiscal year, bonus awards will be determined primarily by measuring the Company's financial performance and the Named Executive Officer's achievement of individual goals. The method for calculating bonus awards is set forth in the form of 2010 Target Award Notification Letter under the Plan, a copy of which is attached as Exhibit 10.2 to this Current Report on Form 8-K and incorporated herein by reference.

Item 7.01 Regulation FD Disclosure

At the Annual Meeting, Roger M. Lavery III, President and Chief Executive Officer of the Company, addressed the attendees. An edited transcript of Mr. Lavery's remarks is attached as Exhibit 99.1 to this Current Report on Form 8-K and incorporated herein by reference.

The transcript attached hereto as Exhibit 99.1 is being furnished pursuant to this Item 7.01 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and it shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or under the Exchange Act, whether made before or after the date hereof, except as expressly set forth by specific reference in such filing to this Current Report on Form 8-K. The furnishing of the transcript is not intended to constitute a representation that such furnishing is required by Regulation FD or that the transcript includes material investor information that is not otherwise publicly available.

The Company cautions you that certain statements contained in the transcript attached hereto as Exhibit 99.1, including, but not limited to, statements regarding the development and growth of our business, our intent, belief or current expectations, primarily with respect to future operating performance and the products and services we expect to offer and other statements contained therein regarding matters that are not historical facts 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. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. Users should not place undue reliance on the forward-looking statements, which speak only as of the date of the presentation. The Company undertakes no obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the federal securities laws. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, our ability to successfully integrate the CBI and DSD Coffee Business acquisitions, fluctuations in availability and cost of green coffee, competition, organizational changes, the impact of a weaker economy, business conditions in the coffee industry and food industry in general, our 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 third parties' securities and other investment vehicles in which we have invested our assets, as well as other risks described from time to time in our filings with the SEC.

Item 8.01 Other Events**Stockholder Voting Results at Annual Meeting and Declaration of Quarterly Dividend**

On December 15, 2009, the Company issued a press release announcing the stockholder voting results at the Annual Meeting and declaration of a quarterly dividend. A copy of the press release is attached as Exhibit 99.2 to this Current Report on Form 8-K and incorporated herein by reference.

Of the 16,123,580 shares of common stock outstanding and entitled to vote at the Annual Meeting, 15,746,917 were represented at the meeting, or a 98% quorum.

At the Annual Meeting, stockholders:

1. Elected each of the following two (2) individuals to the Board of Directors to serve a three-year term as Class III directors until the Annual Meeting of Stockholders in 2012 and until their successors have been duly elected and qualified:

<u>Director Nominee</u>	<u>Votes Cast For</u>	<u>Votes Withheld</u>
John H. Merrell	14,398,011	1,348,906
Jeanne Farmer Grossman	15,219,524	527,393

2. Ratified the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2010. There were 15,027,736 votes for the appointment, 631,246 votes against the appointment, 87,935 abstentions and no broker non-votes.

Election of Officers

On December 10, 2009, the Board of Directors re-elected Roger M. Lavery III, President and Chief Executive Officer, Drew H. Webb, Executive Vice President and Chief Operating Officer, Heidi L. Modaro, Vice President Sales and Operations, Coffee & Tea, Hortensia Gómez, Vice President & Controller, and John M. Anglin, Secretary.

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

- 10.1 Form of Indemnification Agreement for Directors and Officers of the Company, as adopted on May 18, 2006 and as amended on December 31, 2008 (with updated schedule of indemnitees attached)*
- 10.2 Form of Target Award Notification Letter (Fiscal 2010) Under Farmer Bros. Co. 2005 Incentive Compensation Plan*
- 10.3 Form of 2007 Omnibus Plan Stock Option Grant Notice and Stock Option Agreement (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the SEC on February 26, 2008 and incorporated herein by reference)*
- 10.4 Form of 2007 Omnibus Plan Restricted Stock Award Grant Notice and Restricted Stock Award Agreement (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the SEC on February 26, 2008 and incorporated herein by reference)*
- 99.1 Transcript of Remarks by Roger M. Lavery III, President and Chief Executive Officer of Farmer Bros. Co., at the 2009 Annual Meeting of Stockholders on December 10, 2009
- 99.2 Press Release of Farmer Bros. Co. announcing the results of stockholder voting at the 2009 Annual Meeting of Stockholders on December 10, 2009 and declaration of a quarterly dividend

* 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: December 16, 2009

FARMER BROS. CO.

By: /s/ ROGER M. Lavery III
Name: **Roger M. Lavery III**
Title: **President and Chief Executive Officer**

EXHIBIT INDEX

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**[FORM OF]
INDEMNIFICATION AGREEMENT**

THIS INDEMNIFICATION AGREEMENT (this “Agreement”) is made and entered into as of _____, by and between Farmer Bros. Co., a Delaware corporation (the “Company”), and _____ (“Indemnitee”).

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as directors, officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the “Board”) has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Certificate of Incorporation (the “Charter”) and the Bylaws of the Company require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to applicable provisions of the Delaware General Corporation Law (the “DGCL”). The Charter, the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company’s stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Charter, the Bylaws of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, Indemnitee does not regard the protection available under the Company’s Charter, Bylaws and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he or she be so indemnified;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein and Indemnatee's agreement to serve as a director or officer after the date hereof, the Company and Indemnatee do hereby covenant and agree as follows:

1. Definitions. As used in this Agreement:

(a) References to "agent" shall mean any person who is or was a director, officer, or employee of the Company or a Subsidiary of the Company or other person authorized by the Company to act for the Company, to include such person serving in such capacity as a director, officer, employee, fiduciary or other official of another corporation, partnership, limited liability company, joint venture, trust or other enterprise at the request of, for the convenience of, or to represent the interests of the Company or a Subsidiary of the Company.

(b) The terms "Beneficial Owner" and "Beneficial Ownership" shall have the meanings set forth in Rule 13d-3 promulgated under the Exchange Act as in effect on the date hereof.

(c) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) Acquisition of Stock by Third Party. Any Person is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors, unless (1) the change in the relative Beneficial Ownership of the Company's securities by any Person results solely from a reduction in the aggregate number of outstanding shares of securities entitled to vote generally in the election of directors, or (2) such acquisition was approved in advance by the Continuing Directors and such acquisition would not constitute a Change in Control under part (iii) of this definition;

(ii) Change in Board of Directors. Individuals who, as of the date hereof, constitute the Board, and any new director whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two thirds of the directors then still in office who were directors on the date hereof or whose election for nomination for election was previously so approved (collectively, the "Continuing Directors"), cease for any reason to constitute at least a majority of the members of the Board;

(iii) Corporate Transactions. The effective date of a reorganization, merger or consolidation of the Company (a "Business Combination"), in each case, unless, following such Business Combination: (1) all or substantially all of the individuals and entities who were the Beneficial Owners of securities entitled to vote generally in the election of directors immediately prior to such Business Combination beneficially own, directly or indirectly, more than 51% of the combined voting power of the then outstanding securities of the Company entitled to vote generally in the election of directors resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more Subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination, of the securities entitled to vote generally in the election of directors; (2) no Person (excluding any corporation resulting from such Business Combination) is the Beneficial Owner, directly or indirectly, of 15% or more of the combined voting power of the then outstanding securities entitled to vote generally in the election of directors of such corporation except to the extent that such ownership existed prior to the Business Combination; and (3) at least a majority of the Board of Directors of the corporation resulting from such Business Combination were Continuing Directors at the time of the execution of the initial agreement, or of the action of the Board of Directors, providing for such Business Combination;

(iv) Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement or series of agreements for the sale or disposition by the Company of all or substantially all of the Company's assets (or, if such approval is not required, the decision by the Board to proceed with such a liquidation, sale, or disposition in one transaction or a series of related transactions); or

(v) Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act, whether or not the Company is then subject to such reporting requirement.

(d) “Corporate Status” describes the status of a person who is or was a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of the Company or of any other Enterprise which such person is or was serving at the request of the Company.

(e) “Delaware Court” shall mean the Court of Chancery of the State of Delaware.

(f) “Disinterested Director” shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(g) “Enterprise” shall mean the Company and any other corporation, constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger to which the Company (or any of its wholly owned subsidiaries) is a party, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent.

(h) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

(i) “Expenses” shall include all direct and indirect costs, fees and expenses of any type or nature whatsoever, including, without limitation, attorneys’ fees and costs, retainers, court costs, transcript costs, fees and disbursements of experts, witness fees, fees and disbursements of private investigators and professional advisors, travel expenses, duplicating costs, printing and binding costs, telephone and fax transmission charges, postage, delivery service fees, secretarial services, reasonable compensation for time spent by Indemnitee for which he is not otherwise compensated for by the Company or any third party, and all other disbursements or expenses in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding or enforcing a right to indemnification under this Agreement. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(j) “Independent Counsel” shall mean a law firm or a member of a law firm that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements); or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(k) References to “fines” shall include any excise tax assessed on Indemnitee with respect to any employee benefit plan; references to “serving at the request of the Company” shall include any service as a director, officer, employee, agent or fiduciary of the Company which imposes duties on, or involves services by, such director, officer, employee, agent or fiduciary with respect to an employee benefit plan, its participants or beneficiaries; and if Indemnitee acted in good faith and in a manner Indemnitee reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan, Indemnitee shall be deemed to have acted in a manner “not opposed to the best interests of the Company” as referred to in this Agreement.

(l) The term “Person” shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act as in effect on the date hereof; provided, however, that “Person” shall exclude: (i) the Company; (ii) any Subsidiary of the Company; (iii) any employee benefit plan of the Company including, without limitation, the Company’s Employee Stock Ownership Plan, or of any Subsidiary of the Company, or any Person or entity organized, appointed or established by the Company for or pursuant to the terms of any such plan; (iv) a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their

ownership of stock of the Company; and (v) Roy F. Farmer, deceased, his widow Emily Farmer and their descendants (collectively, "Farmer Family Members"), the estates of Farmer Family Members and the personal representatives thereof, and trusts, partnerships and other entities created by or for the benefit of Farmer Family Members and the trustees, partners and members thereof.

(m) A "Potential Change in Control" shall be deemed to have occurred if: (i) the Company enters into an agreement or arrangement, the consummation of which would result in the occurrence of a Change in Control; (ii) any Person or the Company publicly announces an intention to take or consider taking actions which if consummated would constitute a Change in Control; (iii) any Person who becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 5% or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors increases its Beneficial Ownership of such securities by 5% or more over the percentage so owned by such Person on the date hereof; or (iv) the Board adopts a resolution to the effect that, for purposes of this Agreement, a Potential Change in Control has occurred.

(n) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil (including intentional or unintentional tort claims), criminal, administrative or investigative nature, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action (or failure to act) taken by him or of any action (or failure to act) on his part while acting as a director or officer of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, trustee, general partner, managing member, fiduciary, employee or agent of any other Enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of expenses can be provided under this Agreement.

(o) The term "Subsidiary," with respect to any Person, shall mean any corporation or other entity of which a majority of the voting power of the voting equity securities or equity interest is owned, directly or indirectly, by that Person.

2. Agreement To Serve. Indemnitee agrees to serve and/or continue to serve as an agent of the Company, at its will (or under separate agreement, if such agreement exists), in the capacity Indemnitee currently serves as an agent of the Company; provided, however, that nothing contained in this Agreement is intended to or shall (i) restrict the ability of Indemnitee to resign at any time and for any reason from any current or future position or positions, (ii) create any right to continued employment of Indemnitee in any current or future position or positions, or (iii) restrict the ability of the Company to terminate the employment or agency of Indemnitee at any time and for any reason (subject to compliance with the terms of any employment or other applicable agreement to which the Company (or any of its Subsidiaries) and Indemnitee are parties).

3. Indemnification in Third-Party Proceedings. The Company shall indemnify and hold harmless Indemnitee in accordance with the provisions of this Section 3 if, by reason of his Corporate Status, Indemnitee was, is, or is threatened to be made, a party to or a participant (as a witness or otherwise) in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified against all Expenses, judgments, penalties, fines and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnitee or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal Proceeding, had no reasonable cause to believe that his conduct was unlawful.

4. Indemnification in Proceedings by or in the Right of the Company. The Company shall indemnify and hold harmless Indemnitee in accordance with the provisions of this Section 4 if, by reason of his Corporate Status, Indemnitee was, is, or is threatened to be made, a party to or a participant (as a witness or otherwise) in any Proceeding brought by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on his

behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnatee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. Notwithstanding the foregoing, no indemnification shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnatee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that any court in which the Proceeding was brought or the Delaware Court shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnatee is fairly and reasonably entitled to indemnification for such Expenses as the court shall deem proper.

5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the extent that Indemnatee is, by reason of his Corporate Status, a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify and hold harmless Indemnatee against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith. If Indemnatee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify and hold harmless Indemnatee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. If Indemnatee is not wholly successful in such Proceeding, the Company also shall indemnify and hold harmless Indemnatee against all Expenses reasonably incurred in connection with a claim, issue or matter related to any claim, issue or matter on which Indemnatee was successful. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

6. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnatee is, by reason of his Corporate Status, a witness in any Proceeding to which Indemnatee is not a party, he shall be indemnified and held harmless against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

7. Additional Indemnification

(a) Notwithstanding any limitation in Sections 3, 4 or 5, the Company shall indemnify and hold harmless Indemnatee if, by reason of his Corporate Status, Indemnatee is a party to or threatened to be made a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnatee in connection with the Proceeding. No indemnity shall be made under this Section 7(a) on account of Indemnatee's conduct which constitutes a breach of Indemnatee's duty of loyalty to the Company or its stockholders or is an act or omission not in good faith or which involves intentional misconduct or a knowing violation of the law.

(b) Notwithstanding any limitation in Sections 3, 4, 5 or 7(a), the Company shall indemnify and hold harmless Indemnatee if Indemnatee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such Expenses, judgments, fines, penalties and amounts paid in settlement) actually and reasonably incurred by Indemnatee in connection with the Proceeding.

8. Contribution

(a) Whether or not the indemnification provided in Sections 3, 4, 5 and 7 hereof is available, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnatee (or would be if joined in such action, suit or proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnatee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnatee. The Company shall not enter into any settlement of any action, suit or proceeding in which the Company is jointly liable with Indemnatee (or would be if joined in such action, suit or proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnatee.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction from which such action, suit or proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which the Law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(c) The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

(d) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

9. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been received by or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount actually received under any insurance policy, contract, agreement, other indemnity provision or otherwise;

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law;

(c) except as otherwise provided in Sections 14(e) and (f) hereof, prior to a Change in Control, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law;

(d) for any Expenses, judgments, liabilities, fines, penalties and amounts paid in settlement resulting from Indemnitee's conduct which is finally adjudged to have been willful misconduct, knowingly fraudulent or deliberately dishonest; or

(e) if a court of competent jurisdiction shall finally determine that any indemnification hereunder is unlawful.

10. Advances of Expenses; Defense of Claim

(a) Notwithstanding any provision of this Agreement to the contrary, and to the fullest extent permitted by applicable law, the Company shall advance all Expenses incurred by or on behalf of Indemnatee (or reasonably expected by Indemnatee to be incurred by Indemnatee within three months) in connection with any Proceeding by reason of Indemnatee's Corporate Status within ten (10) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnatee's ability to repay the Expenses and without regard to Indemnatee's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing a Proceeding to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. Indemnatee shall qualify for advances, to the fullest extent permitted by applicable law, solely upon the execution and delivery to the Company of an undertaking providing that Indemnatee undertakes to repay the advance to the extent that it is ultimately determined that Indemnatee is not entitled to be indemnified by the Company under the provisions of this Agreement, the Charter, the Bylaws of the Company, applicable law or otherwise. This Section 10(a) shall not apply to any claim made by Indemnatee for which indemnity is excluded pursuant to Section 9.

(b) The Company shall be entitled to participate in any Proceeding at its own expense.

(c) The Company shall not settle any action, claim or Proceeding (in whole or in part) which would impose any Expense, judgment, fine, penalty or limitation on Indemnatee without Indemnatee's prior written consent.

11. Procedure for Notification and Application for Indemnification

(a) Indemnatee agrees to notify promptly the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnatee to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnatee under this Agreement, or otherwise.

(b) Indemnatee may deliver to the Company a written application to indemnify and hold harmless Indemnatee in accordance with this Agreement. Such application(s) may be delivered from time to time and at such time(s) as Indemnatee deems appropriate in his sole discretion. Following such a written application for indemnification by Indemnatee, Indemnatee's entitlement to indemnification shall be determined according to Section 12(a) of this Agreement.

12. Procedure Upon Application for Indemnification

(a) A determination, if required by applicable law, with respect to Indemnatee's entitlement to indemnification shall be made in the specific case by one of the following methods, which shall be at the election of the Board: (i) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board or (ii) by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnatee. The Company promptly shall advise Indemnatee in writing with respect to any determination that Indemnatee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied. If it is so determined that Indemnatee is entitled to indemnification, payment to Indemnatee shall be made within ten (10) days after such determination. Indemnatee shall reasonably cooperate with the person, persons or entity making such determination with respect to Indemnatee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnatee and reasonably necessary to such determination. Any costs or Expenses (including attorneys' fees and disbursements) incurred by

Indemnatee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnatee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnatee harmless therefrom.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) hereof, the Independent Counsel shall be selected as provided in this Section 12(b). The Independent Counsel shall be selected by the Board of Directors, and the Company shall give written notice to Indemnatee advising him of the identity of the Independent Counsel so selected and certifying that the Independent Counsel so selected meets the requirements of "Independent Counsel" as defined in Section 1 of this Agreement. Indemnatee may, within ten (10) days after such written notice of selection shall have been received, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court of competent jurisdiction has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnatee of a written request for indemnification pursuant to Section 11(b) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnatee may petition the Delaware Court for resolution of any objection which shall have been made by Indemnatee to the Company's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Delaware Court, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing). The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 12(a) hereof, regardless of the manner in which such Independent Counsel was selected or appointed.

13. Presumptions and Effect of Certain Proceedings

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall presume that Indemnatee is entitled to indemnification under this Agreement if Indemnatee has submitted a request for indemnification in accordance with Section 11(b) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnatee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnatee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnatee has not met the applicable standard of conduct.

(b) If the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnatee is entitled to indemnification shall not have made a determination within thirty (30) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnatee shall be entitled to such indemnification, absent (i) a misstatement by Indemnatee of a material fact, or an omission of a material fact necessary to make Indemnatee's statement not materially misleading, in connection with the request for indemnification, or (ii) a final judicial determination that any or all such indemnification is expressly prohibited under applicable law; provided, however, that such 30-day period may be extended for a reasonable time, not to exceed an additional fifteen (15) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnatee to indemnification or create a presumption that Indemnatee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnatee had reasonable cause to believe that his conduct was unlawful.

(d) For purposes of any determination of good faith, Indemnatee shall be deemed to have acted in good faith if Indemnatee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnatee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected by the Enterprise. The provisions of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnatee may be deemed or found to have met the applicable standard of conduct set forth in this Agreement.

(e) The knowledge and/or actions, or failure to act, of any other director, officer, trustee, partner, managing member, fiduciary, agent or employee of the Enterprise shall not be imputed to Indemnatee for purposes of determining the right to indemnification under this Agreement.

14. Remedies of Indemnatee

(a) In the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnatee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses, to the fullest extent permitted by applicable law, is not timely made pursuant to Section 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12(a) of this Agreement within thirty (30) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5, 6, or the last sentence of Section 12(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) a contribution payment is not made in a timely manner pursuant to Section 8 of this Agreement, or (vi) payment of indemnification pursuant to Section 3 or 4 of this Agreement is not made within ten (10) days after a determination has been made that Indemnatee is entitled to indemnification, Indemnatee shall be entitled to an adjudication by the Delaware Court to such indemnification, contribution or advancement of Expenses. Alternatively, Indemnatee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Except as set forth herein, the provisions of Delaware law (without regard to its conflict of laws rules) shall apply to any such arbitration. The Company shall not oppose Indemnatee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnatee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnatee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14, Indemnatee shall be presumed to be entitled to indemnification under this Agreement and the Company shall have the burden of proving Indemnatee is not entitled to indemnification or advancement of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 12(a) of this Agreement adverse to Indemnatee for any purpose. If Indemnatee commences a judicial proceeding or arbitration pursuant to this Section 14, Indemnatee shall not be required to reimburse the Company for any advances pursuant to Section 10 until a final determination is made with respect to Indemnatee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).

(c) If a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnatee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnatee of a material fact, or an omission of a material fact necessary to make Indemnatee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

(e) The Company shall indemnify and hold harmless Indemnitee to the fullest extent permitted by law against all Expenses and, if requested by Indemnitee, shall (within ten (10) days after the Company's receipt of such written request) advance to Indemnitee, to the fullest extent permitted by applicable law, such Expenses which are incurred by Indemnitee in connection with any judicial proceeding or arbitration brought by Indemnitee (i) to enforce his rights under, or to recover damages for breach of, this Agreement or any other indemnification, advancement or contribution agreement or provision of the Charter, or the Company's Bylaws now or hereafter in effect; or (ii) for recovery or advances under any insurance policy maintained by any person for the benefit of Indemnitee, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advance, contribution or insurance recovery, as the case may be.

(f) Interest shall be paid by the Company to Indemnitee at the legal rate under Delaware law for amounts which the Company indemnifies or is obliged to indemnify for the period commencing with the date on which Indemnitee requests indemnification, contribution, reimbursement or advancement of any Expenses and ending with the date on which such payment is made to Indemnitee by the Company.

15. Establishment of Trust. In the event of a Potential Change in Control, the Company shall, upon written request by Indemnitee, create a "Trust" for the benefit of Indemnitee and from time to time upon written request of Indemnitee shall fund such Trust in an amount sufficient to satisfy any and all Expenses reasonably anticipated at the time of each such request to be incurred in connection with investigating, preparing for, participating in or defending any Proceedings, and any and all judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such judgments, fines penalties and amounts paid in settlement) in connection with any and all Proceedings from time to time actually paid or claimed, reasonably anticipated or proposed to be paid. The trustee of the Trust (the "Trustee") shall be a bank or trust company or other individual or entity chosen by Indemnitee and reasonably acceptable to the Company. Nothing in this Section 15 shall relieve the Company of any of its obligations under this Agreement. The amount or amounts to be deposited in the Trust pursuant to the foregoing funding obligation shall be determined by mutual agreement of Indemnitee and the Company or, if the Company and Indemnitee are unable to reach such an agreement, by Independent Counsel selected in accordance with Section 12(b) of this Agreement. The terms of the Trust shall provide that, except upon the consent of both Indemnitee and the Company, upon a Change in Control: (a) the Trust shall not be revoked or the principal thereof invaded, without the written consent of Indemnitee; (b) the Trustee shall advance, to the fullest extent permitted by applicable law, within two (2) business days of a request by Indemnitee and upon the execution and delivery to the Company of an undertaking providing that Indemnitee undertakes to repay the advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company, any and all Expenses to Indemnitee; (c) the Trust shall continue to be funded by the Company in accordance with the funding obligations set forth above; (d) the Trustee shall promptly pay to Indemnitee all amounts for which Indemnitee shall be entitled to indemnification pursuant to this Agreement or otherwise; and (e) all unexpended funds in such Trust shall revert to the Company upon mutual agreement by Indemnitee and the Company or, if Indemnitee and the Company are unable to reach such an agreement, by Independent Counsel selected in accordance with Section 12(b) of this Agreement, that Indemnitee has been fully indemnified under the terms of this Agreement. The Trust shall be governed by Delaware law (without regard to its conflicts of laws rules) and the Trustee shall consent to the exclusive jurisdiction of the Delaware Court in accordance with Section 23 of this Agreement.

16. Security. Notwithstanding anything herein to the contrary, to the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

17. Non-Exclusivity; Survival of Rights; Insurance; Subrogation

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Charter, the Company's Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in applicable law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Charter, the Company's Bylaws or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The DGCL, the Charter and the Company's Bylaws permit the Company to purchase and maintain insurance or furnish similar protection or make other arrangements including, but not limited to, providing a trust fund, letter of credit, or surety bond ("Indemnification Arrangements") on behalf of Indemnitee against any liability asserted against him or incurred by or on behalf of him or in such capacity as a director, officer, employee or agent of the Company, or arising out of his status as such, whether or not the Company would have the power to indemnify him against such liability under the provisions of this Agreement or under the DGCL, as it may then be in effect. The purchase, establishment, and maintenance of any such Indemnification Arrangement shall not in any way limit or affect the rights and obligations of the Company or of Indemnitee under this Agreement except as expressly provided herein, and the execution and delivery of this Agreement by the Company and Indemnitee shall not in any way limit or affect the rights and obligations of the Company or the other party or parties thereto under any such Indemnification Arrangement.

(c) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, trustees, partners, managing members, fiduciaries, employees, or agents of the Company or of any other Enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, trustee, partner, managing member, fiduciary, employee or agent under such policy or policies. If, at the time the Company receives notice from any source of a Proceeding as to which Indemnitee is a party or a participant (as a witness or otherwise), the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(d) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other Enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such Enterprise.

18. Duration of Agreement. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee serves as a director or officer of the Company or as a director, officer, trustee, partner, managing member, fiduciary, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other Enterprise which Indemnitee serves at the request of the Company and shall continue thereafter so long as Indemnitee shall be subject to any possible Proceeding (including any rights of appeal thereto and any Proceeding commenced by Indemnitee pursuant to Section 14 of this Agreement) by reason of his Corporate Status, whether or not he is acting in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement.

19. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section, paragraph or sentence of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

20. Enforcement and Binding Effect

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

(b) Without limiting any of the rights of Indemnitee under the Charter or Bylaws of the Company as they may be amended from time to time, this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof. If the DGCL or any other applicable law is amended after the date hereof to permit the Company to indemnify Indemnitee for Expenses or liabilities, or to indemnify Indemnitee with respect to any action or Proceeding, not contemplated by this Agreement, then this Agreement (without any further action by either party hereto) shall automatically be deemed to be amended to require that the Company indemnify Indemnitee to the fullest extent permitted by the DGCL.

(c) The indemnification and advancement of expenses provided by or granted pursuant to this Agreement shall be binding upon and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee or agent of the Company or of any other Enterprise at the Company's request, and shall inure to the benefit of Indemnitee and his spouse, assigns, heirs, devisees, executors and administrators and other legal representatives.

(d) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(e) The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which he may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the court, and the Company hereby waives any such requirement of such a bond or undertaking.

21. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

22. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) if delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, or (ii) mailed by certified or registered mail with postage prepaid, on the third (3rd) business day after the date on which it is so mailed:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide in writing to the Company.

(b) If to the Company, to:

Farmer Bros. Co.
20333 South Normandie Avenue
Torrance, CA 90502
Attention: Corporate Secretary

or to any other address as may have been furnished to Indemnitee in writing by the Company.

23. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 14(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally: (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court and not in any other state or federal court in the United States of America or any court in any other country; (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement; (c) appoint irrevocably, to the extent such party is not a resident of the State of Delaware, RL&F Service Corp., One Rodney Square, 10th Floor, 10th and King Streets, P.O. Box 551, Wilmington, Delaware 19899 as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware; (d) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court; and (e) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum, or is subject (in whole or in part) to a jury trial.

24. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

25. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

FARMER BROS. CO.

By: _____
Name: _____
Title: _____

INDEMNITEE

Name: _____

Address: _____

SCHEDULE OF INDEMNITEES

John M. Anglin
Guenter W. Berger
Kenneth R. Carson
Lewis A. Coffman
Hortensia R. Gomez
Jeanne Farmer Grossman
Michael J. King
Roger M. Lavery III
Martin A. Lynch
Thomas A. Maloof
James J. McGarry
John H. Merrell
Heidi L. Modaro
John Samore, Jr.
John E. Simmons
Carol Farmer Waite

[FORM OF TARGET AWARD NOTIFICATION LETTER (FISCAL 2010)
UNDER FARMER BROS. CO. 2005 INCENTIVE COMPENSATION PLAN]

FARMER BROS. CO.
Compensation Committee
20333 South Normandie Avenue
Torrance, California 90502

December __, 2009

[Name]
Farmer Bros. Co.
[Address]

Re: Incentive Compensation Plan

Dear _____:

The Compensation Committee (“Committee”) has chosen you to be a participant in the Farmer Bros. Co. 2005 Incentive Compensation Plan (the “Plan”) for fiscal 2010. Your target award for fiscal 2010 is equal to __% of your annual base salary (“Target Bonus Percentage”). Your target award was determined by the Committee based on your expected total compensation, job responsibilities, [and] expected job performance [and your employment agreement].

In general, your bonus for fiscal 2010 will be determined primarily by measuring the Company’s financial performance and your achievement of individual goals which the Committee has assigned to you. The method for determining your bonus is described below.

Company Financial Performance

In calculating your bonus under the Plan, Company financial performance will be weighted at __%. Company financial performance will be gauged by the level of achievement of operating cash flow (weighted at 70%) and net sales (weighted at 30%) as determined from the Company’s audited financial statements. “Operating cash flow” is defined as income from operations, after bonus accruals and excluding non-recurring items such as income from the sale of capital assets, plus depreciation and ESOP compensation expense. Subject to the Committee’s discretion under the Plan, threshold operating cash flow of \$22.35 million must be achieved in fiscal 2010 to earn any bonus payout under the Plan. Assuming this threshold is achieved, a multiplier ranging from 0.0x to 1.5x will be assigned depending upon the level of achievement of operating cash flow and net sales as follows:

Performance Measure	Weighting	Below Threshold (0.0x)	Threshold (0.5x)	Target (1.0x)	Maximum (1.5x)
Operating Cash Flow	70%	< \$ 22.35 million	\$ 22.35 million	\$ 29.80 million	\$ 37.25 million
Net Sales	30%	< \$ 463 million	\$ 463 million	\$ 502 million	\$ 515 million

Individual Performance

In calculating your bonus under the Plan, individual performance will be weighted at __%. The Committee has assigned the following individual goals to you for fiscal 2010:

Goal	Weighting
	%
	%
	%
	%
	%
	%
	%
	%

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 achievement of operating cash flow and net sales based on the thresholds set forth above. This level of achievement will be multiplied by the applicable weighting (70% for operating cash flow and 30% for net sales) to determine the weighted achievement percentage for operating cash flow and net sales.

At such time, the Committee will also determine your percentage of achievement of each of the assigned individual goals. This level of achievement will be based on a percentage determined by the Committee in its discretion, ranging from 0% to 150%. The level of achievement will be multiplied by the assigned weighting to determine the weighted achievement percentage for each of your assigned goals.

The weighted achievement percentages for operating cash flow, net sales and each of your assigned goals will be added up, and multiplied by your Target Bonus Percentage. The resulting percentage will be multiplied by your fiscal 2010 annual base salary. The result will be the amount of your preliminary bonus award for fiscal 2010. The preliminary award is subject to adjustment, upward or downward, by the Compensation 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. 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 2010 is \$250,000, you target award is 40% of your annual base salary and that Company financial performance is to be weighted at 50% and individual goals are to be weighted at 50%. (Target awards and weighting of Company financial performance/individual goals vary for each participant.) 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:

<u>Performance Measure/Goal</u>	<u>Weighting</u>	<u>Achievement</u>	<u>Achievement %</u>	<u>Weighted Level of Achievement (Weighting x Achievement %)</u>	<u>Total</u>
Operating Cash Flow	35% ¹	\$482.5 million	75%	26.25%	81.875%
Net Sales	15% ²	\$29.8 million	100%	15%	X
Individual Goal #1	12.5% ³	Threshold	50%	6.25%	40% Target Bonus
Individual Goal #2	12.5% ³	Threshold	50%	6.25%	=
Individual Goal #3	12.5% ³	Between Target and Maximum	125%	15.625%	32.75% Preliminary Bonus
Individual Goal #4	12.5% ³	Target	100%	12.5%	X
					Base Salary of \$250,000

1 Company financial performance weighted at 50%, multiplied by weighting of operating cash flow at 70%.

2 Company financial performance weighted at 50%, multiplied by weighting of net sales at 30%.

3 Individual goals weighted at 50%, four goals, each weighted at 12.5%.

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 does not intend to exercise discretion under the Plan to increase the amount of any award determined in the manner set forth above, except in extraordinary circumstances. 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 2010!

Very truly yours,

Thomas A. Maloof
Compensation Committee Chairman

cc: Compensation Committee Members

FARMER BROS. CO.
2009 Annual Stockholders Meeting
December 10, 2009

State of the Company Address (edited)

Note: Copies of the slides follow the narrative

(SLIDE #2)

State of the Company Presentation by
Roger M. Lavery III, President and Chief Executive Officer:

I'd like to take the opportunity to present to all of you a retrospective of the past year, which has been, as we have been discussing internally for a while, a year of dynamic growth and change at Farmer Brothers.

You'll remember at this time last year we had just announced the pending acquisition of Sara Lee's direct store delivery (DSD) coffee business. We talked then about how that business fit strategically with what Farmer Brothers was already doing, and today I want to report not only on the progress of that transaction, which was completed on February 28, 2009, but talk also about how it changed the face of our Company, the kind of customers we have, the kind of services we deliver and portfolio of products that we now offer.

While many of our shareholders, some of whom are also employees of the Company, understand personally the strategy and rationale behind our acquisition of Sara Lee's DSD business, I want to start at the beginning.

What's the mission here at Farmer Brothers? This may have been executed in different ways over the years, but it has really always been the underpinning of our Company. *"We sell great coffee, tea, and allied products and provide superior service one customer at a time."* That's the mission that everybody here lives by, the mission that drives all of our behavior and our day-to-day activities at Farmer Brothers. (SLIDE #3)

(SLIDE #4) We also have a vision: *“To become the preeminent roaster/distributor of coffee, tea, and allied products in every key market in the United States.”* Note the difference – until the addition of Sara Lee’s DSD coffee business into Farmer Brothers, we did not have the opportunity to be in every key market in the United States. Today, we do have that ability and we’ll show you the progress we’ve made in leveraging that asset.

(SLIDE #5) Today, Farmer Brothers roasts and distributes coffee, tea and allied products. We deliver our products to 48 states, every state in the continental United States. Just the other day, someone here told me that we actually sell products in 50 states because many of our customers operate in Hawaii and Alaska. So even though we don’t distribute in those two states, we have customers that are selling our products in Hawaii and Alaska.

So we are – through our products – in all 50 states in the US today thanks to the acquisition. We now have branches in virtually every market in the US. The addition on the Sara Lee DSD coffee business also strengthened our portfolio of products and it extended and deepened our geographic reach from coast to coast.

Here’s a map that shows a couple of states where we don’t have branches, but even in those states we’re sending route trucks. So our route business is now in every state in the continental US. And as I said, we even sell products in the other two states as well. This all means that the acquisition established Farmer Brothers as one of the truly, and maybe the only, national food service coffee roaster/distributor for our segment of the marketplace. (SLIDE #6)

One thing about Farmer Brothers that differentiates us from many distributors of similar products—companies like the broadline food service distributors, like the broadline grocery distributors—is that we’re passionate about our products. At Farmer Brothers, we’re passionate coffee people, and we have been for almost 100 years.

We have an accomplished executive team, skilled artisan coffee roast masters in all levels of our organization, and a diverse spectrum of over 2,000 employees, all coffee enthusiasts. It's what we do. It's what we live and breathe. It's the core of our business. (SLIDE #7)

Our people include industry leaders—the founding and current board members of both the Specialty Coffee Association of America (SCAA) and the American Premium Tea Institute work at Farmer Brothers. We are proud to say that the founder and past chair of the Roasters Guild of America, the chair of the Technical Standards Committee of the SCAA, cupping judges at the Cup of Excellence competitions throughout the Americas and Africa, chair of the advisory panel to the Coffee Quality Institute and Coffee Quality Institute Voluntary Emissaries to Kenya, Ethiopia, and Columbia are part of the Farmer Brothers team.

Having experienced, talented people helps us create best-in-class solutions to meet customers' needs. Many of you have seen this capability exhibited in our cupping room. When we bring customers into the cupping room they work with our team of experts to create the blends they want, which meet the needs of their businesses. We have seen that those customers rely more and more on our expertise to help them create the quality products that they want to serve their customers. We've become very good at it and I think we're as good as or better than anyone in the industry.

I want to illustrate some of the other exciting things we're doing today to meet and exceed the needs and expectations of our customers. Many of you know that one of our largest customers is Target. We roast all of Target's private label coffees, both Market Pantry coffees and Archer Farms coffees. This Christmas, I'm not sure if there's any left in the stores, but Target wanted to buy the winner of the Cup of Excellence competition in Columbia. It was very expensive for them to purchase—it was almost \$31 a pound green coffee—and you can find that in Target stores. I think their price is somewhere in the \$15 to \$20 range for the package. Just a warning, Target doesn't have a lot left since they are going fast, but if you want to experience an award winning coffee you can get it at Target and it comes from Farmer Brothers.

In addition to the coffee I just described, Farmer Brothers makes a range of coffee. This chart shows the coffee hierarchy in the United States. It's a pyramid because the bulk of the products that we distribute and the bulk of the products in the coffee industry today continue to be the traditional coffee and the premium coffee. Those are the coffees that Farmer Brothers has roasted and distributed so well for so many years. Farmer Brothers continues to provide the products that people have come to rely on in the core food service business in the US.

Specialty coffee is at the top of the pyramid and you can see the market for specialty coffees isn't anywhere near as large as the market for premium and traditional coffees, which have for so long been our specialty. (SLIDE #8)

This chart shows that when you look at the market for coffee, traditional coffee still represents the bulk of the market, about \$20 billion a year in retail; specialty coffee accounts for about \$9 billion a year. However, we have a growing presence in the specialty coffee market. You might be wondering why since that segment is at the top of the pyramid.

(SLIDE #9) To understand that we need to look beyond what the market sizes are now and look at the growth rates of those two categories. The traditional and premium coffee category is growing at 2% to 4% a year—a lot of that is just price changes in the cost of the commodity. Specialty coffee, however, is driven by changes in the coffee market, driven by the power of Starbucks, driven by corporate marketing programs and a commitment to higher quality products from McDonald's and Dunkin' Donuts and others. The specialty coffee sector continues to grow at a much faster pace than the traditional and the premium coffee sectors.

That is why we need to be in all these segments, because we want to be able to take advantage of the growth in the marketplace as well as continue to provide the products that make up the bulk of what we sell. This slide illustrates one of the reasons this is so important. It is this differential gap, which means that typically we're selling products on a comparative basis at about \$0.10 less than the coffee index, the C coffee market, whereas specialty coffees are almost \$0.40 above the C market index.

So the prices that we can receive for specialty coffees reflect that differential gap in the green, and that's one of the advantages we have when we can cover all segments of the coffee market. Our span across all segments of the coffee market in combination with the expertise of our people, mean we can be the best-in-class; the best roaster, the best purchaser of coffee, the most efficient supply chain of coffee at all levels. We now have capabilities that I believe are unmatched by anyone in the industry.

We successfully cover all segments of the coffee market, which is just one of the important things for you to know about Farmer Brothers. We have national coverage not only with our route service, as I discussed, but we also have national coverage with our equipment service. We have expertise in green coffee manufacturing, marketing, training, brewing equipment solutions and operations. We now have four geographically diverse plants with capabilities for large and small batches. We also have a diverse portfolio of coffee and tea products from traditional to specialty. (SLIDE #10)

Let me talk a little more about the diverse portfolio Farmer Brothers now boasts. One of the many things that we gained with the acquisition was Sara Lee DSD's portfolio of brands that we are now able to take to the market. Brands are important. Customers rely on brands; they're familiar with brands; they're comfortable with brands. They link a brand to a product and the power of these brands is substantial.

Our brands today represent over 100 years of experience, knowledge, and coffee passion and include: the Farmer Brothers brands, of course, the Superior Coffee brand we acquired through the acquisition, Panache Coffee from CBI, Prebica, Blue Parrot from CBI, McGarvey, and Cain's. Cain's Coffee, by the way, and Cain's Spices are sold in Wal-Mart. So we're servicing a broad range of people in every market. Some of our other coffee brands include: Metropolitan, Wechsler, and World's Finest. Our tea brands include: Ireland, Justin Lloyd, Sierra Teas and Xanadu Teas. So, as you can see, we have a very broad and deep portfolio of products throughout the coffee and tea spectrum. (SLIDE #11)

Another area in which the acquisition helped to expand our business is production. One of the most exciting things for the Company this year was growing from one plant in Torrance, where we are working hard to add capabilities, flexibility and new roasting technologies, to now having three coffee roasting plants and a fourth plant that processes spices.

(SLIDE #12) On this slide, in the top left, you can see a picture of our plant in Torrance. The bottom picture is our plant in Houston. The picture on the right is our plant in Oklahoma City and above that is the inside of the CBI plant. So now, not only do we have the ability to make more products, but as we go to market you can imagine the advantage this gives us when we talk to customers.

In the past, I can't tell you how many times a customer from the East Coast would say, "Well, where's your plant?"

I would say, "Well, here in Torrance."

And often the customer would respond: "Well, how are you going to get a product all the way from Torrance to the East Coast? And by the way, don't you have earthquakes in California? What are you going to do if something happens to your plant?"

Well, now we have a plant in Houston that does the same thing as our plant in Torrance. We can cover both sides of the country with the same excellent products out of both of those plants. We also have a specialty plant in Portland and we have spice capabilities not only in Oklahoma City, but also in Torrance. And it takes away any argument not to use Farmer Brothers by any customer no matter where they're located in the US.

We have over 1.5 million square feet of coffee roasting facilities now and a roasting capacity of 200 million pounds. That is up from what was probably 50 million, maybe a little bit more, last year. The good news is we're already roasting about 90 million pounds for our own portfolio and for the portfolios of others.

So we've gone from 20 million pounds that we processed here last year before any of our growth to almost 90 million pounds of coffee as I am talking to you today. We also have about 50% additional growth capacity with our existing plants, so we don't have to build new plants to continue to grow our business for many years to come.

Switching gears, I want to talk to you about our food service coffee and tea division, what we used to call route sales and our DSD business. As I said earlier, we're in 48 states, with over 115 branches and warehouses throughout the country, 613 routes, and over 75,000 customers, who we serve at least once a month, usually much more frequently than that. (SLIDE #13)

And we have over 6,000 SKU's—sometimes there's confusion on the items and SKUs. We have 6,000 SKUs, these are stock-keeping units, so it could be different sizes of the same item. Farmer Brothers coffee is one item and we have many SKUs of that in different packaging and different sizes. Today, we have over 6,000 different SKUs that we can offer our customers.

We've talked here for the last several years about the need, the desire, and our strategy to build the national accounts business. This was something that has been on our minds even before we completed the CBI and Sara Lee DSD coffee business acquisitions. We talked about how important it was for Farmer Brothers to be able to represent itself to large national companies—McDonald's, Burger King, national casino chains, national retail companies. And we've been working very hard to put together the organizational capabilities to be able to do this.

Selling to that channel is much different than selling to the down-the-street business. It's not harder or easier, it's just different and you need different skills in order to accomplish it. What's really exciting today is that we have been chosen as the coffee partner for some of the country's leading national retailers. This means that our strategy and hard work are paying off.

Our national accounts partnership (SLIDE #14)

Our coffee is today sold in over 6,000 locations in all 50 states. We have custom coffee programs that can meet the specific product and service needs of many large national account customers. And it's not just offering the products, we also have the program support for these customers because that's how to keep the business. The customer has to rely on us to increase the sell-through at their locations through branding, marketing, market trend analysis, product development, commodity buying, training, equipment service, and all the other attributes of a partnership—a true partnership—with these large customers.

We have large national and regional accounts and they appreciate our one-stop shop capabilities. As I have said, we can give these customers anything from their core coffee products to allied products to equipment to services. Nobody else can do that at one place and one location.

I'm actually pretty excited for you to see this next slide. A couple of years ago we said we've got to get more customers with recognizable names. This chart is just a reflection of some of the customers Farmer Brothers serves today. Ranging from a national retailer like Target to Pilot Travel Centers and Sunoco; from WinCo Foods to grocery stores like the Fresh Market to restaurants like Hard Rock, Morton's, Daily Grill and to casinos like the MGM Grand properties nationwide, Station Casinos, and others. (SLIDE #15)

So this shows the level of achievement that we've been able to accomplish by executing on the strategy we outlined. And why did we want to do this? Because this segment is growing faster than any other segment. So we needed to have our brands, our labels, and our expertise suited for the needs of these large customers as well as our traditional down-the-street customers.

(SLIDE #16) We're not only selling these customers coffee, but, as I said, the other thing that makes Farmer Brothers unique in the marketplace is the allied products and spices that we can offer throughout our customer segments. No other company has the portfolio of products that we can offer customers. Nobody has the quality of coffee products, from specialty to traditional, and the wonderful allied and spice products that are the top-of-the-market, best quality products—some that we make, some that we have made for us, but they're all now Farmer Brothers products.

The other part of this, and we'll just highlight one of the many accomplishments of the past year, was creating a national service network. And it's easy to say in one sentence, "Hey, we've created a national service network." But, this was really hard to do.

It took tremendous commitment and effort from the entire national equipment and service organization here at Farmer Brothers to organize their capabilities and their resources, so that we would be able to confidently go to any customer and say, "wherever you are, whatever your needs are, we have somebody 24/7, 365 days a year who will answer the phone, who will meet your equipment needs, and who'll be out there to service your products." (SLIDE #17)

That was a goal that we had for many years. As we sit here today, that goal has been realized. We have over 200 service vehicles outfitted with parts and equipment. We have over 200 factory trained and certified technicians. We dispatch today over 500 service calls each day. And we're in the process of organizing five remanufacturing and repair centers so that not only can we service the product, we can also bring product back in, refurbish it, repair it, and do that very efficiently without just having one location on the West Coast. We have the country covered so that we can be very efficient in moving our product around.

This was a significant achievement for us this year and I'm really proud of all the people who worked on this because they did a great job in organizing this operation, pulling it together, and providing the customers the service they need.

Financial highlights for 2009 (SLIDE #18)

What do all of these changes and improvements mean for the Company's financial performance? In order to compare year-to-year financials, you have to understand the impact of the acquisitions we made because this is not all internal growth. Much of the growth in the top-line has come from the acquisitions we made. But our sales for 2009 fiscal year exceeded \$340 million. They're up from \$266 million in 2008 and these reflect the acquisition of the DSD coffee business and continued strong growth by the CBI operations.

Cash flow improved over 2008 despite non-recurring expenses. If we look at cash flow from our operations and we take out some of the accounting charges that may affect income, but don't affect the cash that we're bringing in, our cash flow from operations for 2009 was \$10.6 million, up from \$4.6 million in 2008 (See Exhibit 99.1 to the Form 8-K filed by the Company with the SEC on September 17, 2009 for a reconciliation of non-GAAP operating cash flow to GAAP loss from operations for the fiscal years ended June 30, 2009, 2008 and 2007). (SLIDE #19)

Those of you who got the annual report saw the big loss. The largest single element of that loss was a \$19.7 million accounting charge based on some important, but very technical, deferred tax accounting requirements.

On this next slide you can see the same thing. Net sales going from \$198 million in 2005, staying pretty static 2005 to 2006, starting to show a little growth in 2007, and now starting to show a significant ramp-up in net sales. (SLIDE #20)

Financial highlights for first quarter 2010

For the first quarter of 2010, we also improved operations from the same quarter in 2009. Sales are up from \$66 million to \$112 million, almost doubling. So you can see now the full trend and the impact that the acquisitions are having on our performance. And net income was up from a \$6.1 million loss last year to income of \$2.2 million in 2010. (SLIDE #21)

I want to be clear that not all of that is from operations and we're very clear about that in our reporting. Some of that is from the bounce-back of the market and our stock portfolios, which improved in the first quarter based on what was happening last year at this time. But our non-GAAP operating cash flow was also up from \$400,000 in the first quarter of 2009 to \$4.9 million in the first quarter of 2010 (See Exhibit 99.1 to the Form 8-K filed by the Company with the SEC on November 12, 2009 for a reconciliation of non-GAAP operating cash flow to GAAP loss from operations for the three months ended September 30, 2009 and 2008). (SLIDE #22)

The financial markets continue to have a negative impact on some of our assets. Like many, many companies, Farmer Brothers has and continues to have a very robust pension plan. We have pension assets that are managed to provide liquidity for our employees as they retire. The value of that plan took a hit, like the value of most every other stock portfolio in the country in the past year, and now the Company is making up that difference. So on a quarter-to-quarter basis, we have a \$2.3 million non-cash charge reflecting what we believe will be additional funding requirements for our pension plans beginning in the first quarter of fiscal 2010. You can see on this chart those same things—revenue growth from \$67 million to \$112 million. And the non-GAAP operating cash flow, again, from \$400,000 to almost \$5 million in the first quarter of 2010. (SLIDE #23)

Integration and other activities

The past year, as I have discussed, has been extremely busy. As I said, we completed the Sara Lee transaction on February 28th and everybody in our Company has been working hard to try to bring that together with our existing operations and do it in a way that allows us to leverage the power that we talked about earlier, the strategic power in going to market. (SLIDE #24)

I want to be honest—it has been really hard. This is a very complex transaction: two businesses almost the same size, two groups of employees almost the same size; similar businesses, but many, many differences between the two operations. Plus we needed to understand how we, Farmer Brothers, want to go forward, how we want to maximize our operation for the benefit of our shareholders, our employees, and our customers.

As we've taken steps to realize this goal, there are certainly things that we might have done differently in hindsight. But the primary focus has been—this is really important to understand—the sooner this comes together, the sooner we're one Company, the sooner we can go to market with the true force and impact of the assets that we can bring to all customers in every segment.

We still have steps to take to complete the process, but we're making great progress and we're doing whatever we can to make sure this is as easy and seamless as possible.

We completed the roll-out of the mobile sales system to all pre-acquisition Farmer Brothers locations. And that's another thing that we talked about for many years at these annual meetings—the need to complete the JD Edwards roll-out, to complete the mobile sales roll-out. Well, we have done it and we did it very successfully.

Now we have the latest, up-to-date, best solution for mobile sales software of any direct distribution company that I can think of. We completed that roll-out to the pre-acquisition

Farmer Brothers locations last March. Right now we're in the process of rolling out that same system to the acquired locations and the route drivers that joined Farmer Brothers as part of the Sara Lee transaction. And that's a lot of work, but we'll get that completed, probably before the end of the third quarter.

I want to emphasize the complexity of what we're doing. Remember, these two businesses had different products. And customers didn't necessarily want to get rid of the items they were used to buying. In order to continue to do business with us, customers wanted to continue to receive the products they were used to getting. So we were tasked with not eliminating any items. Instead our goal was to put together both portfolios of items, trying to streamline it so that items that weren't selling or that we didn't need would fall out of the portfolio. Essentially, though, we have close to doubled our available assortment.

For a minute think of the implications of that in a branch of 10,000 square feet. Now you have double the number of items. You need double the racking for the cases. You need to reorganize the trucks. You need to figure out the different routes. If you have two routes going down the same street with a Farmer Brothers customer here and an old Sara Lee customer next door, you don't want two trucks going down that same street. You want one truck stopping at each customer.

So the intricacy, the more you think about it, the more you can understand the complexity of putting this together in a way that works—that doesn't alienate our customers, that continues to offer the full range of products and services we have—and that does so in a way that's efficient so ultimately as a Company we can be successful and profitable at what we do. So that's what we're in the middle of right now.

Some other achievements during the year, like I said, we opened new distribution centers. We opened distribution centers in Moonachie, New Jersey, Northlake, Illinois and Fridley, Minnesota. We also converted the distribution operations in Oklahoma City and Houston. These openings allowed us to eliminate ongoing support from Sara Lee.

So now we have all these distribution points around the country. This is so important because we don't have to drive as far to get products to our branches. We don't have to go from Torrance to Minneapolis; we now go from Fridley to Minneapolis, which is 30 minutes instead of two days.

So you can start to imagine the savings as we put this network together. However, in order to get these centers running, we had to rack all of these facilities, get inventory in them, and make sure that the ordering procedures worked. These are all tasks we are still working to perfect now. We implemented a new long-haul trucking fleet. Every Farmer Brothers long-haul truck now on the road is a brand new piece of equipment that I think reflects very well the Farmer Brothers image across the US. (SLIDE #25)

We acquired new coffee roasters for our Torrance plant that have been sitting in crates currently. They've been sitting in crates for the past year as the California legislature has been working to overcome the freeze on permitting caused by some environmental lawsuits. We are trying to put in new roasters that have cleaner emissions than our existing roasters and we can't get a permit to reduce emissions. As Copenhagen goes on today, we're trying to do our part and were unable to do that. Thankfully, now that's changed. We should be able to get a permit in January and from January through probably June, maybe mid-summer, we'll be working to install these new roasters. These roasters not only upgrade some of the roasting technology we have today, they also give us increased flexibility to meet the needs of all the different SKUs that we have and all the different products. This enables us to roast both small batch and large batch very efficiently here in our Torrance plant.

Like I said, we're on track to roast over 90 million pounds of coffee. We have a new marketing team focused on brand, brand development, and customer communications so that we can be sure that the Farmer Brothers message is communicated consistently to everyone in the marketplace.

What's ahead? (SLIDE #26)

We want to complete these integration activities during the second half of fiscal 2010; the sooner, the better. The sooner we can get through the challenges and the hard work of the integration, the more quickly we can focus on our primary mission here, which is to grow our business.

It's challenging and it's hard, but we'll get through it and we're now about nine waves through a 14-wave process of conversions. We should finish the waves by the end of January and then I'm sure there'll be some clean-up activities to make sure things are working properly. As we go into the fourth quarter of this year, we should be very well-positioned to do nothing but sell—to promote our products, to go to the customers without being distracted by the challenges of the integration activities.

When that's done, we can leverage our national presence to service local, regional, and national customers, grow all tiers of the food service business, and streamline our supply chain. We're a distribution company. Without an efficient supply chain in the distribution business today, a company would struggle to survive because that's where the bulk of cost is for companies like Farmer Brothers. The bulk of our cost is in moving products from our warehouses to our branches to our trucks to our customers.

So we have to be the best-in-class. We have to be absolutely perfect at this if we're going to be able to return to shareholders the value that all of you have invested in our Company either through your commitment and your hard work or your capital investment or however else you're part of our organization.

We're implementing equipment refurbishing centers so that we can complete the nationwide coverage of our equipment business. We're continuing the aggressive growth of our specialty coffee segment through our CBI operations because it continues to grow faster than any other segment. (SLIDE #27)

And we're also committed to our spice business. This business has done very well over the years, but really hasn't had a lot of attention. Now we are putting a lot of effort into that business, which is composed of institutional spices and blends and custom blends for manufacturers. We think there's a huge opportunity there simply because we're selling so many spices. We want to leverage our volume so that we can go to the institutional market and provide the quality products that we know we can make at Farmer Brothers. So we're going to expand that side of our business as well.

Overall, it's been an exciting year. It's also been a challenging year. Even with the day-to-day frustrations and the day-to-day problems we have faced, I reflect on the past year and know that there's been a tremendous amount accomplished in furtherance of our strategy—becoming a preeminent roaster/distributor of coffee and allied products in this country.

I'm convinced that we can be that. I'm convinced that we can realize that vision. It's going to take continued hard work. It's going to take commitment. It's going to take your support, not only as shareholders, but as employees because you're the ones that make it happen. So with that, I'm happy to take any questions.

(Slides Follow)

Farmer Bros Co. Stockholders Meeting December 10, 2009

A Year Of Dynamic Growth



Cautionary Statement Regarding Forward-Looking Statements

Certain statements contained in this presentation, including, but not limited to, statements regarding the development and growth of our business, our intent, belief or current expectations, primarily with respect to future operating performance and the products and services we expect to offer and other statements contained herein regarding matters that are not historical facts 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. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. Stockholders and other readers should not place undue reliance on the forward-looking statements, which speak only as of the date of this presentation. The Company undertakes no obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the federal securities laws. Factors that could cause actual results to differ materially from those in forward-looking statements include, but are not limited to, our ability to successfully integrate the CBI and DSD Coffee Business acquisitions, fluctuations in availability and cost of green coffee, competition, organizational changes, the impact of a weaker economy, business conditions in the coffee industry and food industry in general, our 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 third parties' securities and other investment vehicles in which we have invested our assets, as well as other risks described from time to time in our filings with the Securities and Exchange Commission.



Farmer Brothers Mission

“We sell great coffee, tea and allied products and provide superior service one customer at a time.”



Farmer Brothers Vision

*“We will be the pre-eminent
roaster/distributor of coffee, tea and
allied products in every key market
in the U.S.”*



Farmer Brothers Today

- *Farmer Brothers roasts and distributes coffee, tea and "allied" products, such as creamers, teas, spices, and soup bases through direct store delivery and broad line distribution.*
- *The Company was founded in 1912 in Los Angeles and now serves 48 states.*
- *Headquartered in Torrance, CA with four manufacturing facilities.*



- *The 2009 acquisition of Sara Lee's direct store delivery coffee business has:*
 - *Established Farmer Brothers as one of the only truly national foodservice coffee roasters/distributors;*
 - *Strengthened our portfolio of brands and products; and*
 - *Extended and deepened our geographic reach from coast to coast.*



Farmer Brothers Distribution Network



Farmer Brothers “Passionate Coffee” People

At our core we are a Coffee, Tea and Service Organization!

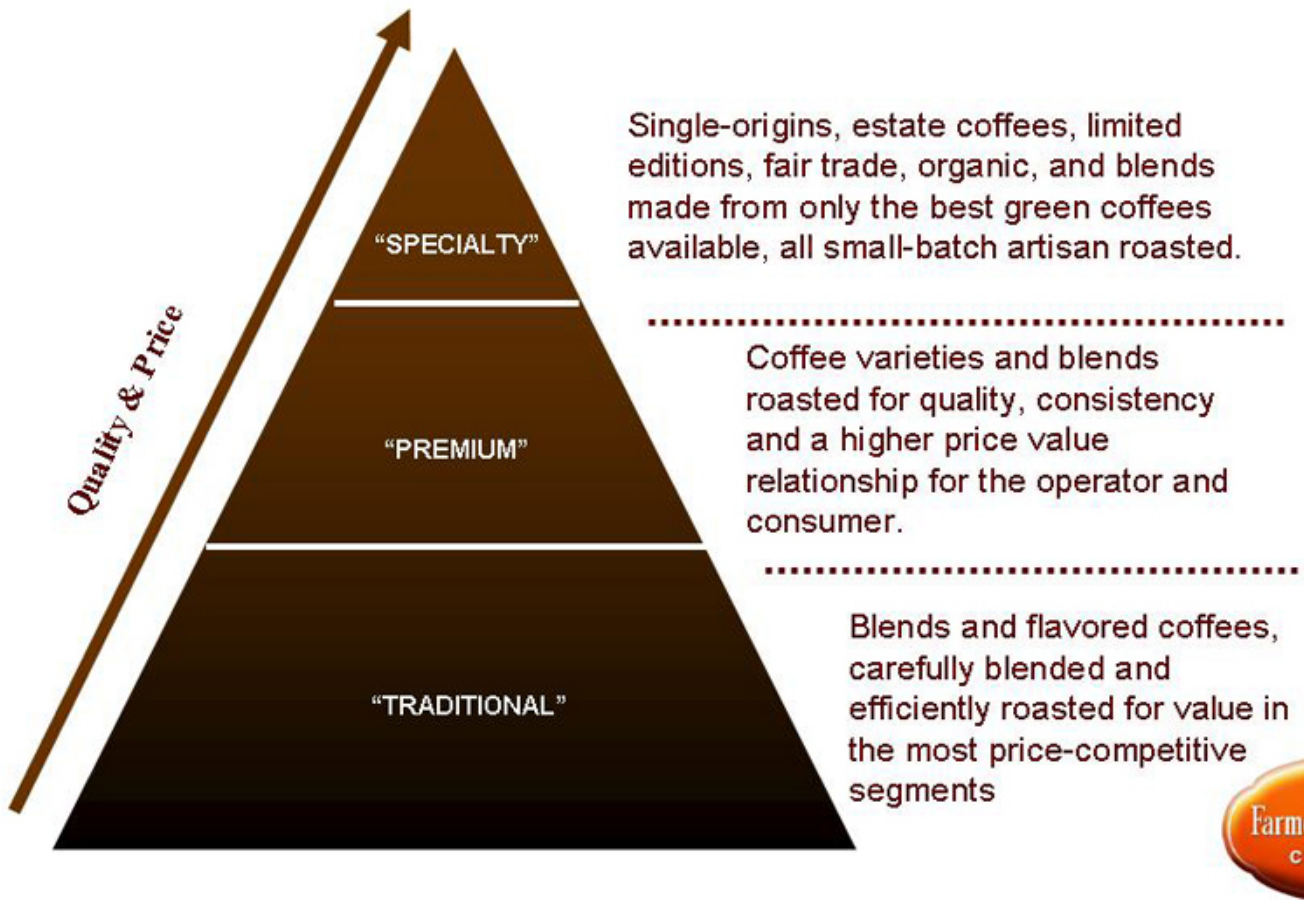
- *Accomplished executive group*
- *Skilled artisan coffee roast masters*
- *Diverse spectrum of 2,100 coffee enthusiasts*

Our People Include Industry Leaders:

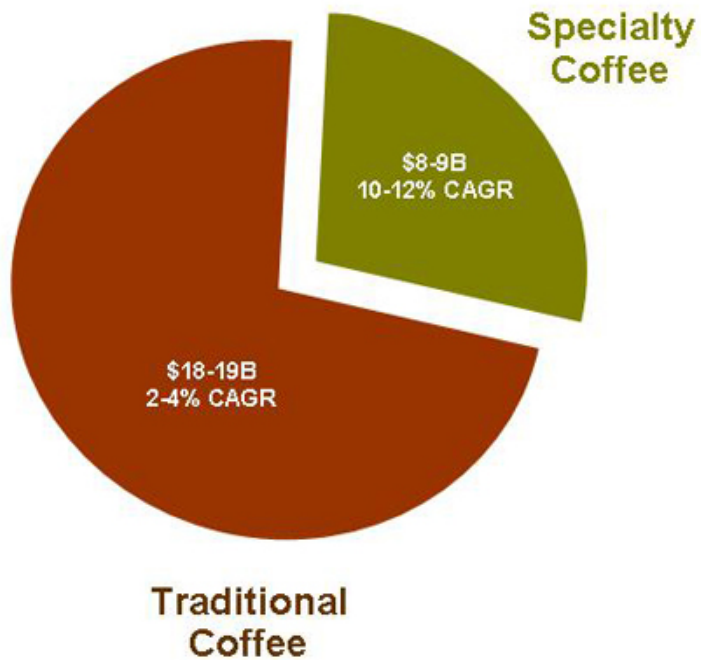
- *Founding and current Board Members of both the Specialty Coffee Association of America (SCAA) and the American Premium Tea Institute (APTI).*
- *Founder and Past Chair of the Roasters Guild of America, an organization dedicated to the craft of roasting quality coffee.*
- *Chair of the Technical Standards Committee of the SCAA*
- *Cupping judge at “Cup of Excellence” competitions throughout the Americas and Africa.*
- *Chair of the advisory panel to the Coffee Quality Institute (CQI).*
- *Coffee Quality Institute volunteer emissaries to Kenya, Ethiopia and Colombia.*



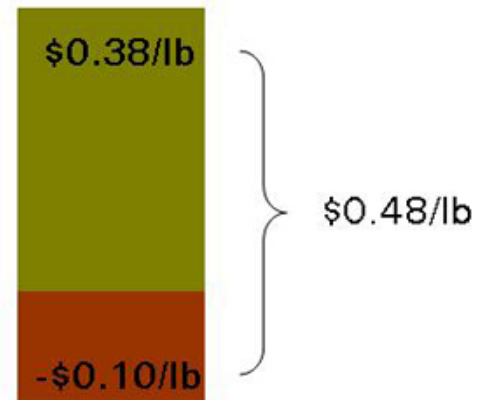
Farmer Brothers Coffee Quality



The U.S. Coffee Market



Differential Gap

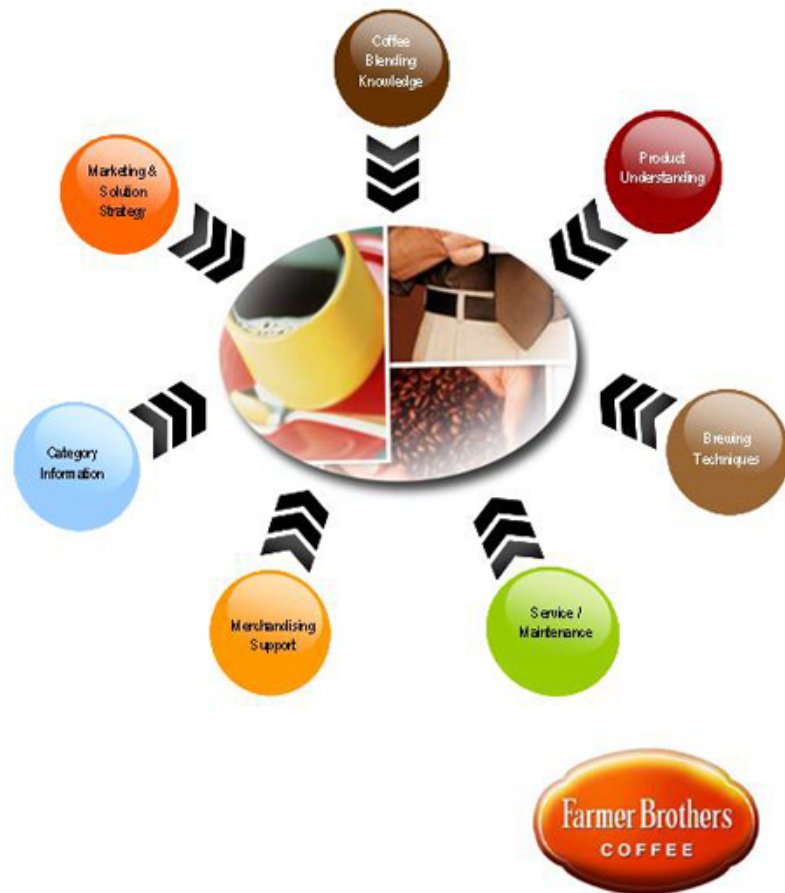


Source:



Farmer Brothers Capabilities

- **National coverage with route service and equipment service competencies.**
- **Expertise in:**
 - Green coffee procurement
 - Manufacturing and distribution
 - Marketing support
 - Training programs
 - Brewing equipment solutions
 - Operations
- **Four geographically dispersed plants with capabilities for large and small batch production.**
- **Diverse portfolio of coffee and tea products (traditional to specialty).**
- **Roastmaster and R&D capabilities to create best in class solutions to meet customer needs.**



Farmer Brothers Family of Brands

**THE BEST OF AMERICA'S COFFEE & TEA
BUSINESS IN ONE COMPANY**



- *Our brands represent over 100 years of experience, knowledge and coffee passion.*
- *Our brands include:*
 - *Farmer Brothers Coffee*
 - *Superior Coffee*
 - *Panache*
 - *Prebica Coffee*
 - *Blue Parrott Coffee*
 - *McGarvey Gourmet Coffees*
 - *Cain's Coffee*
 - *Metropolitan Coffee*
 - *Wechsler*
 - *World's Finest*
 - *Café Royal*
 - *Ireland*
 - *Justin Lloyd Teas*
 - *Sierra Teas*
 - *Xanadu Tea*



Farmer Brothers Coffee Production Capacity

- *Four strategically placed national Roasting and Manufacturing facilities.*
- *Facility size exceeding 1,525,000 square feet.*
- *Roasting capacity of 200 million coffee pounds annually.*
 - *50% additional growth in existing facilities*



Farmer Brothers Foodservice Coffee & Tea

- 48 States
- Over 115 Branches/Warehouses
- 613 Routes
- Over 75,000 Customers
- Over 6,000 SKU's



Farmer Brothers National and Key Account Management

- *Farmer Brothers is the chosen coffee partner for some of the country's leading national retailers; through our National Accounts partnerships, our coffee is sold or served in over 6,000 locations in all 50 states*
- *Custom coffee programs are offered to meet the specific product and service needs of large National Account customers*
- *Comprehensive program support is designed to increase sell-through at our customer's locations*
 - *Branding & marketing support*
 - *Market trend analysis*
 - *Product development*
 - *Commodity buying*
 - *Training, equipment and service*
- *Large national and regional accounts appreciate Farmer Brothers' "one-stop-shop" capabilities*
 - *Specialty, premium and traditional coffees*
 - *Equipment & service*
 - *Allied products*



An Expanding Portfolio of Marquee Customers



An Expanding Portfolio of Marquee Customers

Farmer Brothers Allied Products & Spices



Preserves & Jams



Sweeteners



Creamers



Salad Dressing



Mayonnaise



Spices



Pancake Mix



Cappuccino



Iced Coffee



Specialty Coffee



Hot Tea



Iced Tea



Hot Chocolate



Juices



Soup Bases



National Equipment Service Organization

- *Wholly Owned National Service Network.*
- *24/7/365 Staffed Call Center & Repair.*
- *200+ Outfitted Service Vehicles.*
- *200+ Factory Trained & Certified Technicians.*
- *Dispatching over 500 service calls daily.*
- *5 Remanufacturing/Repair Centers Nationwide*



Farmer Brothers Fiscal 2009 Financial Highlights

- Sales exceeded \$340M
 - Up from \$266M in 2008
 - Reflects the acquisition of the DSD Coffee business and strong growth by CBI
- Cash flow improved over 2008 despite non-recurring expenses
 - Non-GAAP cash flow from operations: \$10.6M in 2009*
 - Up from \$4.6M in 2008
- Non-cash charges included reserve against deferred tax assets of \$19.7M

* See Exhibit 99.1 to the Form 8-K filed by the Company with the SEC on September 17, 2009 for a reconciliation of non-GAAP operating cash flow to GAAP loss from operations for the fiscal years ended June 30, 2009, 2008 and 2007.



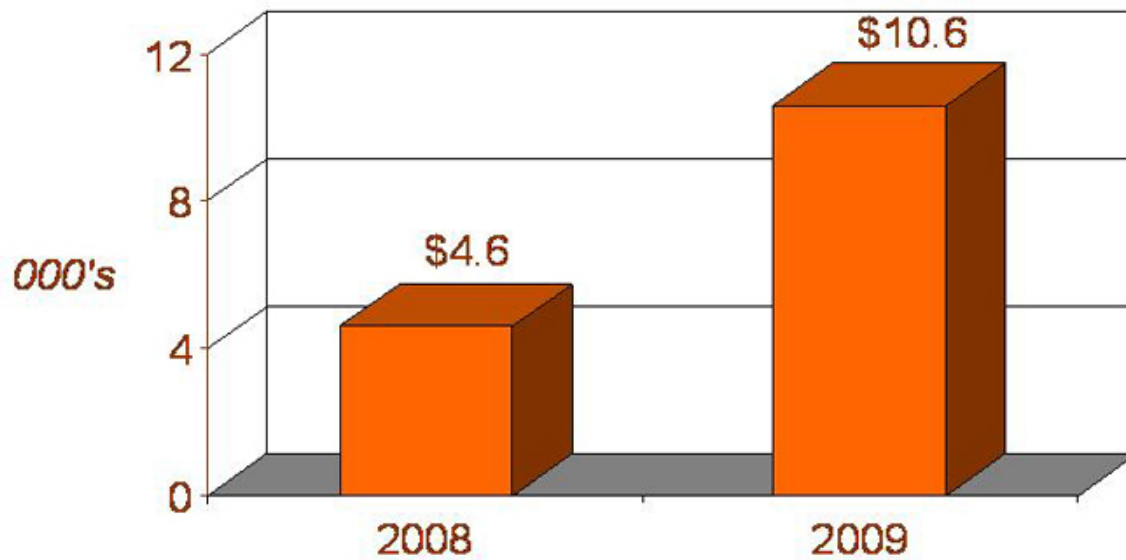
Farmer Brothers Fiscal 2009 Financial Highlights

Revenue Growth



Farmer Brothers Fiscal 2009 Financial Highlights

Non-GAAP Operating Cash Flow



Farmer Brothers 1st Quarter 2010 Highlights

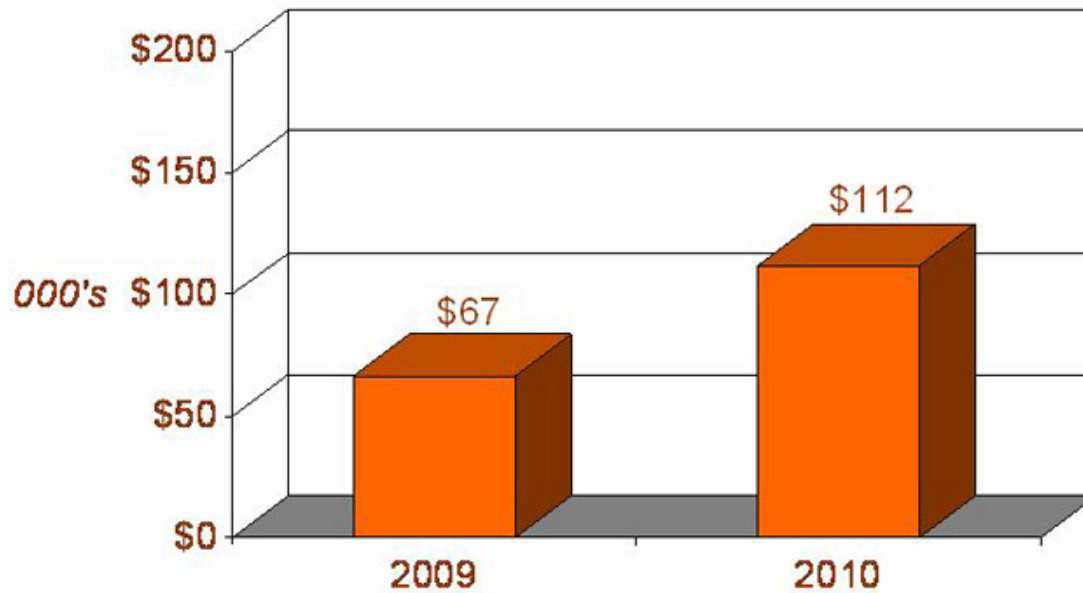
- Improved operations from same quarter in 2009
 - Sales up from \$66.5M in 2009 to \$112.1M in 2010
 - Net Income up from \$(6.1M) in 2009 to \$2.2M in 2010
- Cash flow
 - Non-GAAP operating cash flow up from \$0.4M in 2009 to \$4.9M in 2010*
- Financial markets continues to have negative impact on pension obligations
 - \$2.3M non-cash charge in 1st Quarter

* See Exhibit 99.1 to the Form 8-K filed by the Company with the SEC on November 12, 2009 for a reconciliation of non-GAAP operating cash flow to GAAP loss from operations for the three months ended September 30, 2009 and 2008.

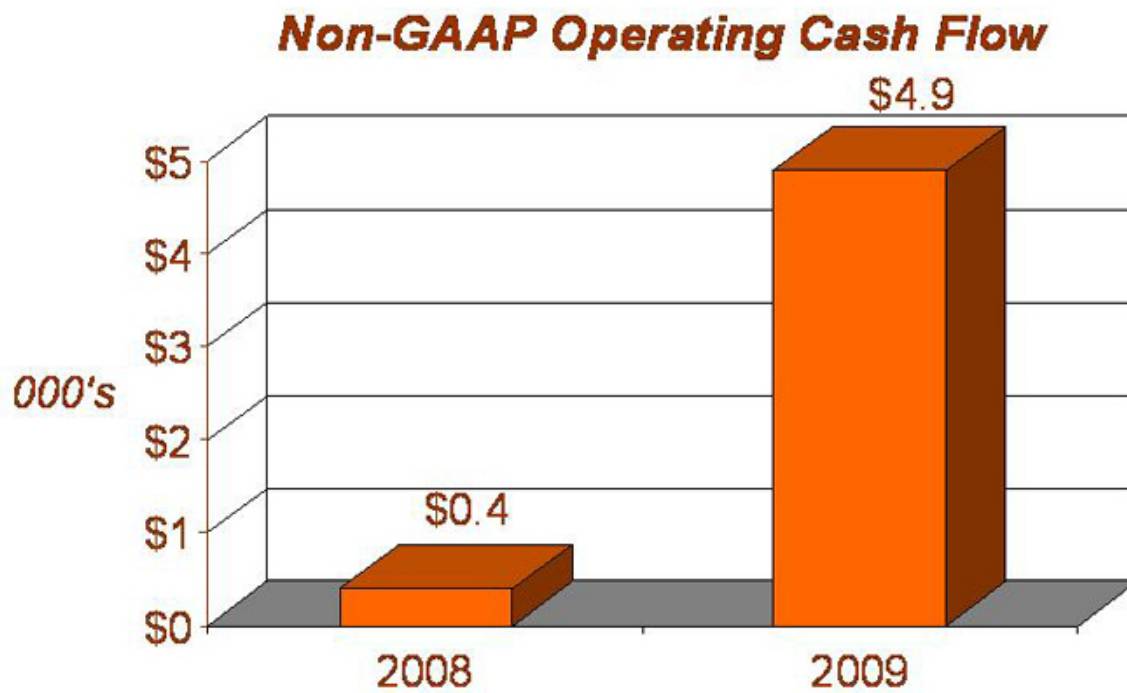


Farmer Brothers 1st Quarter 2010 Highlights

Revenue Growth



Farmer Brothers 1st Quarter 2010 Highlights



Key 2009 Initiatives and Achievements

- Completed Sara Lee DSD Coffee business acquisition
- Completed roll-out of Mobile Sales system to all pre-acquisition Farmer Brothers and CCP routes.
 - 75% of acquisition routes now complete
- Initiated integration of DSD Coffee business acquisition
 - Systems rollout – routes, distribution centers, manufacturing plants
 - Branch expansions, new sites and overlaps
 - Route integration/re-organization



Key 2009 Initiatives and Achievements

- Opened four new distribution centers
- Implemented a new long-haul trucking fleet
- Acquired new coffee roasters for Torrance Plant (online in 2010)
- On track to roast over 90 million pounds of coffee annually
- New marketing team focused on brand and customer communications
- Established a national equipment/service organization



Farmer Brothers – What's Ahead

- Complete all integration activities during the second half of fiscal 2010
- Leverage our national presence to service local, regional and national customers
- Grow all tiers of Foodservice business – national, regional, independents
- Streamline our supply chain to take advantage of plants and distribution centers



Farmer Brothers – What's Ahead

- Implement equipment refurbishment centers for nationwide coverage
- Continue aggressive growth of specialty coffee segments through CBI
- Expand and develop Spice Products



Farmer Brothers

THANK YOU



NEWS RELEASE: Dec. 15, 2009

FARM - NASDAQ GLOBAL MARKET SYSTEM

Farmer Bros. Declares Dividend; Reports Stockholder Voting Results

TORRANCE, Calif. – (BUSINESS WIRE) – Dec. 15, 2009 – Farmer Bros. Co. (NASDAQ: FARM) today said its Board of Directors approved payment of a dividend of \$0.11 1/2 per share for stockholders of record on Jan. 22, 2010, payable on Feb. 8, 2010.

The Company also reported that, at the 2009 Annual Meeting held Dec. 10, stockholders elected two individuals to the Board of Directors for three-year terms expiring in 2012. Here are the vote counts:

<u>Director Nominee</u>	<u>Votes Cast For</u>	<u>Votes Withheld</u>
John H. Merrell	14,398,011	1,348,906
Jeanne Farmer Grossman	15,219,524	527,393

Stockholders also ratified the selection of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2010. The final results were 15,027,736 votes in favor of the proposal, 631,246 votes against, and 87,935 abstentions and no broker non-votes.

Of the 16,123,580 shares of common stock outstanding and entitled to vote at the Annual Meeting, 15,746,917 or 98% were represented at the meeting.

Management presented its "State of the Company Report" at the meeting. The Company intends to file an edited version of that report on Form 8-K and present the report on the investor section of its website, www.farmerbros.com.

About Farmer Bros. Co.

Farmer Bros. Co. is the nation's largest direct store delivery business for coffee and allied products such as cappuccino, cocoa mixes and spices. It roasts and packages coffee for more than 10 brands; it processes and packages allied products; it directly delivers its products and services to food service operators and retailers in all 48 contiguous states. It also provides private-label coffee programs to retailers through Coffee Bean Intl., one of the nation's leading specialty coffee roasters. Farmer Bros. 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.farmerbros.com.

Contact: Abernathy MacGregor Group Jim Lucas 213-630-6550