UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549
FORM 10-Q

__X__ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For nine months ended May 31, 2002.

OR

_____ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____________________ to ____________________.

Commission file number 0-261.

ALICO, INC.
(Exact name of registrant as specified in its charter)

Florida (State or other jurisdiction of incorporation of organization)	59-0906081 (I.R.S. Employer Identification No.)
P. O. Box 338, La Belle, FL (Address of principal executive offices)	33975 (Zip Code)

Registrant's telephone number, including area code 863/675-2966

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

There were 7,074,966 shares of common stock, par value $1.00 per share, outstanding at July 15, 2002.

<TABLE>
<CAPTION>
PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

ALICO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited - See Accountants' Review Report)

	Three Months Ended		Nine Months Ended	
	May 31, 2002	May 31, 2001	May 31, 2002	May 31, 2001

<S>	<C>	<C>	<C>	<C>
Revenue:				
Citrus	$ 9,889,128	$12,658,475	$ 19,083,652	$ 24,175,466
Sugarcane	1,882,782	2,697,707	11,116,222	11,939,228
Ranch	2,535,861	2,156,471	8,138,412	7,907,715
Rock products and sand	570,417	447,055	1,428,971	1,280,913
Oil lease and land rentals	308,233	298,838	647,223	671,438
Forest products	110,744	7,700	252,324	35,983
Retail land sales	49,100	53,850	88,550	116,350
Total revenue	15,346,265	18,320,096	40,755,354	46,127,093
Cost of sales:				
Citrus production, harvesting and marketing	7,605,387	9,396,475	16,438,618	19,656,578
Sugarcane production and harvesting	1,863,944	2,031,410	9,215,828	9,324,038
Ranch	2,433,630	1,445,549	7,301,419	6,679,233
Retail land sales	44,434	48,171	91,000	122,215
Total cost of sales	11,947,395	12,921,605	33,046,865	35,782,064
Gross Profit	3,398,870	5,398,491	7,708,489	10,345,029
General and administration expenses	1,296,650	1,043,296	8,537,630	3,089,703
Income (loss) from operations	2,102,220	4,355,195	(829,141)	7,255,326
Other income (expenses):				
Profit on sales of real estate	202,444	425,098	11,529,231	1,475,014
Interest and investment income	403,478	214,852	1,237,044	946,433
Interest expense	(682,486)	(647,342)	(1,728,105)	(2,356,042)
Other	(5,915)	49,067	102,010	190,923
Total other income, net	(82,479)	41,675	11,140,180	256,328
Income before income taxes	2,019,741	4,396,870	10,311,039	7,511,654
Provision for income taxes	1,588,437	1,425,128	2,159,736	2,444,302
Net income	$ 431,304	$ 2,971,742	$ 8,151,303	$ 5,067,352
Weighted average number of shares outstanding	7,065,053	7,031,585	7,065,053	7,029,023
Per share amounts:				
Basic	$ .06	$ .42	$ 1.15	$ .72
Fully diluted	$ .06	$ .42	$ 1.14	$ .72
Dividends	$ -	$ -	$ 1.00	$ 1.00

<FN>
See accompanying Notes to Condensed Consolidated Financial Statements.
</TABLE>

<TABLE>
<CAPTION>

ALICO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(See Accountants' Review Report)

	May 31, 2002 (Unaudited)	August 31, 2001
ASSETS		
<S>	<C>	<C>
Current assets:		
Cash and cash investments	$ 8,145,555	$ 6,225,088
Marketable securities	21,118,518	18,726,723
Accounts receivable	10,781,186	10,153,205
Mortgage and notes receivable	2,518,435	2,482,454
Income taxes refundable	477,567	-
Inventories	18,866,678	23,246,609
Other current assets	874,901	510,760
Total current assets	62,782,840	61,344,839
Notes receivable, non-current	5,111,145	5,112,309
Land held for development and sale	16,641,653	7,931,544
Investments	1,290,734	1,170,898
Property, buildings and equipment	144,363,298	138,352,300
Less: Accumulated depreciation	(38,918,694)	(34,878,310)
Total assets	$191,270,976	$179,033,580

ALICO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(See Accountants' Review Report)
(Continued)

<S>	May 31, 2002 (Unaudited)	August 31, 2001
LIABILITIES	<C>	<C>
Current liabilities:		
Accounts payable	$ 1,545,386	$ 1,810,094

Due to profit sharing plan	-	443,942
Accrued ad valorem taxes	592,974	1,383,111
Current portion of notes payable	3,301,146	1,301,146
Accrued expenses	1,506,410	1,394,940
Income taxes payable	-	22,670
Deferred revenue	150,523	52,987
Deferred income taxes	1,620,459	1,234,697
Total current liabilities	8,716,898	7,643,587
Notes payable	51,236,127	46,704,954
Deferred income taxes	9,531,532	11,909,252
Other non-current liability	3,640,593	-
Accrued donation	2,917,819	-
Deferred retirement benefits	430,816	150,429
Total liabilities	76,473,785	66,408,222
STOCKHOLDERS' EQUITY		
Common stock	7,074,966	7,044,513
Additional paid in capital	1,419,654	331,617
Accumulated other comprehensive income	832,156	871,077
Retained earnings	105,470,415	104,378,151
Total stockholders' equity	114,797,191	112,625,358
Total liabilities and stockholders' equity	$191,270,976	$179,033,580

<FN>
See accompanying Notes to Condensed Consolidated Financial Statements.
</TABLE>

<TABLE>
<CAPTION>

ALICO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(See Accountants' Review Report)

	Common Stock			Accumulated		
	Shares Issued	Amount	Retained Earnings	Other Comprehensive Income	Additional Paid in Capital	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balances, August 31, 2000	7,027,827	$7,027,827	$95,339,847	$1,159,445	$ 17,885	$103,545,004
Comprehensive income:						
Net income for the year ended August 31, 2001	-	-	16,066,131	-	-	16,066,131
Unrealized losses on securities, net of taxes and reclassification adjustment	-	-	-	(288,368)	-	(288,368)
Total comprehensive income			15,777,763			
Dividends paid	-	-	(7,027,827)	-	-	(7,027,827)
Stock options exercised	16,686	16,686	-	-	227,264	243,950

Stock based compensation	-	-	-	-	86,468	86,468
Balances, August 31, 2001	7,044,513	$7,044,513	$104,378,151	$ 871,077	$331,617	$112,625,358
Comprehensive income:						
Net income for the nine months ended May 31 , 2002	-	-	8,151,303	-	-	8,151,303
Unrealized losses on securities, net of taxes and reclassification adjustment	-	-	-	(38,921)	-	(38,921)
Total comprehensive income			8,112,382			
Dividends paid	-	-	(7,059,039)	-	-	(7,059,039)
Stock options exercised	30,453	30,453	-	-	419,896	450,349
Stock based compensation	-	-	-	-	668,141	668,141
Balances, May 31, 2002 (Unaudited)	7,074,966	$7,074,966	$105,470,415	$ 832,156	$1,419,654	$114,797,191

	May 31, 2002	August 31, 2001
Disclosure of reclassification amount:	_(Unaudited)	
Unrealized holding gains (losses) arising during the period	$ 432,748	$ (206,715)
Less: reclassification adjustment for gains (losses) included in net income	393,827	81,653
Net unrealized losses on securities	$ (38,921)	$ (288,368)

<FN>
See accompanying Notes to Condensed Consolidated Financial Statements.
</TABLE>

<TABLE>
<CAPTION>

ALICO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - See Accountants' Review Report)

<S>	Nine Months Ended May 31, 2002	2001
Cash flows from operating activities:	<C>	<C>
Net income	$ 8,151,303	$ 5,067,352
Adjustments to reconcile net income to cash provided from (used for) operating activities:		
Depreciation and amortization	5,208,871	5,224,329
Contribution expense accrued	3,627,140	-
Net decrease in current assets and liabilities	(154,602)	(2,551,434)
Deferred income taxes	(1,941,699)	(27,516)

Other non-current liability	3,640,593	-
Gain on sales of real estate	(11,526,781)	(1,469,149)
Other	1,553,994	367,484
Cash provided from operating activities	8,558,819	6,611,066
Cash flows from (used for) investing activities:		
Notes receivable issuances	(171,295)	(324,000)
Notes receivable collections	136,478	77,541
Purchases of real estate	(10,135,343)	-
Purchases of property and equipment	(7,439,353)	(6,277,820)
Proceeds from sales of real estate	13,109,833	2,606,304
Proceeds from sales of property and equipment	440,031	901,190
Purchases of marketable securities	(5,349,439)	(2,525,341)
Proceeds from sales of marketable securities	3,298,602	1,631,371
Cash used for investing activities	(6,110,486)	(3,910,755)
Cash flows from (used for) financing activities:		
Repayment of bank loan	(40,146,992)	(30,980,583)
Proceeds from bank loan	46,678,165	36,013,827
Dividends paid	(7,059,039)	(7,027,827)
Cash used for financing activities	(527,866)	(1,994,583)
Increase in cash and cash investments	1,920,467	705,728
Cash at beginning of period	6,225,088	1,796,428
Cash at end of period	$ 8,145,555	$ 2,502,156

</TABLE>

Supplemental disclosures of cash flow information:

Cash paid for interest, net of amount capitalized	$2,005,171	$2,575,648
Cash paid for income taxes	$ 961,078	$5,548,139

Non-cash investing and financing activities:

Fair value adjustments to securities available for sale	$ (89,181)	$ 195,458
Income tax effect related to fair value adjustment	$ (50,260)	$ (73,551)
Reclassification of breeding herd to property & equipment	$ 515,398	$ 370,192

<FN>
See accompanying Notes to Condensed Consolidated Financial Statements.

ALICO, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(See Accountants' Review Report)

1. Basis of financial statement presentation:

The accompanying condensed consolidated financial statements include the accounts of Alico, Inc. and its wholly owned subsidiaries, Saddlebag Lake Resorts, Inc. (Saddlebag) and Agri-Insurance Company, Ltd. (Agri), after elimination of all significant intercompany balances and transactions.

The accompanying unaudited condensed consolidated financial statements have been prepared on a basis consistent with the accounting principles and policies reflected in the Company's annual report for the year ended August 31, 2001. In the opinion of Management, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of its consolidated financial position at May 31, 2002 and August 31, 2001 and the consolidated results of operations and cash flows for the three month and nine month periods ended May 31, 2002 and 2001.

The basic business of the Company is agriculture which is of a seasonal nature and subject to the influence of natural phenomena and wide price fluctuations. The results of operations for the stated periods are not necessarily indicative of results to be expected for the full year. Certain items from 2001 have been reclassified to conform to 2002 presentation.

The Company accounts for long-lived assets in accordance with the provisions of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets for Long-Lived Assets to be Disposed of". This Statement requires the long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

2. Real Estate:

Real Estate sales are recorded under the accrual method of accounting. Under this method, a sale is not recognized until payment is received, including interest, aggregating 10% of the contract sales price for residential properties and 20% for commercial properties.

3. Mortgage and notes receivable:

Mortgage and notes receivable arose from real estate sales. The balances at May 31, 2002 and August 31, 2001 are as follows:

<TABLE>
<CAPTION>

<S>	May 31, 2002 <C>	August 31, 2001 <C>
Mortgage notes receivable on retail land sales	$ 297,859	$ 241,852
Mortgage notes receivable on bulk land sales	7,156,407	7,052,911
Other notes receivable	175,314	300,000
Total mortgage notes receivable	$ 7,629,580	$ 7,594,763
Less current portion	2,518,435	2,482,454

Non-current portion	$ 5,111,145	$5,112,309

</TABLE>
In July 2000, the Company received a mortgage note in exchange for land sold. The note totaled $9,540,000 and principal payments of $2,385,000 are due annually on July 14, bearing interest at LIBOR, over four years.

<TABLE>
<CAPTION>

4. Inventories:

A summary of the Company's inventories (in thousands) is shown below:

<S>	May 31, 2002 <C>	August 31, 2001 <C>
Unharvested fruit crop on trees	$ 8,524,469	$ 9,626,006
Unharvested sugarcane	3,258,773	5,386,633
Beef cattle	6,842,327	8,075,729
Sod	241,109	158,241
Total inventories	$ 18,866,678	$23,246,609

</TABLE>
Subject to prevailing market conditions, the Company may hedge a portion of its beef inventory by entering into cattle futures contracts to reduce exposure to changes in market prices. Any gains or losses anticipated under these agreements are deferred, with the cost of the related cattle being adjusted when the contracts are settled. At May 31, 2002, the Company had no open positions.

5. Income taxes:

The provision for income taxes for the quarters and nine months ended May 31, 2002 and May 31, 2001 is summarized as follows:
<TABLE>
<CAPTION>

<C>	Three Months Ended May 31, 2002	May 31, 2001 <C>	Nine Months Ended May 31, 2002 <C>	May 31, 2001 <C>
Current:				
Federal income tax	$ 3,177,970	$ 705,690	$ 3,486,220	$2,101,045
State income tax	568,290	118,429	615,215	370,773
	3,746,260	824,119	4,101,435	2,471,818
Deferred:				
Federal income tax	(1,551,890)	508,397	(1,398,023)	(27,149)
State income tax	(605,933)	92,612	(543,676)	(367)

	(2,157,823)	601,009	(1,941,699)	(27,516)
Total provision for income taxes	$1,588,437	$ 1,425,128	$2,159,736	$ 2,444,302

</TABLE>

6. Indebtedness:

The Company has financing agreements with commercial banks that permit the Company to borrow up to $54 million. Financing agreements allowing the Company to borrow up to $26 million are due in 2003, $15 million in 2004, and up to $3 million due on demand. In December 2001, the Company entered into an additional financing agreement to borrow $10 million to be paid in equal principal installments over five years with interest to be paid quarterly. In March 1999, the Company mortgaged 7,680 acres for $19 million in connection with a $22.5 million acquisition of producing citrus and sugarcane operations. The total amount of long-term debt under these agreements at May 31, 2002 and August 31, 2001 was $51,236,127 and $46,704,954 respectively.

Maturities of the indebtedness of the Company over the next five years are as follows: 2002- $3,301,146; 2003- $17,553,559; 2004- $18,306,142 2005- $3,308,905; 2006- $3,311,862; thereafter $8,755,659.

Interest cost expensed and capitalized during the nine months ended May 31, 2002 and May 31, 2001 was as follows:

	2002	2001
Interest expensed	$1,728,105	$2,356,042
Interest capitalized	216,662	138,959
Total interest cost	$1,944,767	$2,495,001

7. Other non-current liability:

Alico formed a wholly owned insurance subsidiary, Agri Insurance Company, Ltd. (Bermuda) ("Agri") in June of 2000. Agri was formed in response to the lack of insurance availability, both in the traditional commercial insurance markets and governmental sponsored insurance programs, suitable to provide coverages for the increasing number and potential severity of agricultural related events. Such events include citrus canker, crop diseases, livestock related maladies and weather. Alico's goal included not only prefunding its potential exposures related to the aforementioned events, but also to attempt to attract new underwriting capital if it is successful in profitably underwriting its own potential risks as well as similar risks of its historic business partners. Alico primarily utilized its inventory of land and additional contributed capital to bolster the underwriting capacity of Agri. As Agri has converted certain of the assets contributed by Alico to cash, book and tax differences have arisen resulting from differing viewpoints related to the tax treatment of insurance companies for both federal and state tax purposes. Due to the historic nature of the primary assets contributed as capital to Agri and the timing of the sales of certain of those assets by Agri, management has decided to record a contingent liability, providing for potential differences in the tax treatment of sales of Agri's assets in its initial year of operation. Management's decision has been influenced by perceived changes in the regulatory environment.

8. Dividends:

On October 2, 2001 the Company declared a year-end dividend of $1.00 per share, which was paid on October 26, 2001.

9. Disclosures about reportable segments:

Alico, Inc. has three reportable segments: citrus, sugarcane, and ranch. The commodities produced by these segments are sold to wholesalers and processors who prepare the products for consumption. The Company's operations are located in Florida.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Alico, Inc. evaluates performance based on profit or loss from operations before income taxes. Alico, Inc.'s reportable segments are strategic business units that offer different products. They are managed separately because each segment requires different management techniques, knowledge and skills.

The following table presents information for each of the Company's operating segments as of and for the nine months ended May 31, 2002:

	Citrus	Sugarcane	Ranch	General Corporate*	Consolidated Total
Revenue	$ 19,083,652	11,116,222	8,138,412	2,417,068	40,755,354
Costs and expenses	16,438,618	9,215,828	7,301,419	91,000	33,046,865
Depreciation and amortization	1,796,862	1,929,899	1,119,446	362,664	5,208,871
Segment profit	2,645,034	1,900,394	836,993	2,326,068	7,708,489
Segment assets	57,818,342	53,486,709	20,357,175	59,608,750	191,270,976

The following table presents information for each of the Company's operating segments as of and for the six months ended May 31, 2001:

	Citrus	Sugarcane	Ranch	General Corporate*	Consolidated Total
Revenue	$ 24,175,466	11,939,228	7,907,715	2,104,684	46,127,093
Costs and expenses	19,656,578	9,324,038	6,679,233	122,215	35,782,064
Depreciation and amortization	1,847,958	1,929,626	1,067,935	378,810	5,224,329
Segment profit	4,518,888	2,615,190	1,228,482	1,982,469	10,345,029
Segment assets	54,025,358	52,274,626	19,743,567	48,975,178	175,018,729

*Consists of amounts related to forest products sales, rock and sand royalties, oil lease and land rentals, investments, real estate activities and other such items of a general corporate nature.

10. Stock Option Plan

On November 3, 1998, the Company adopted the Alico, Inc., Incentive Equity Plan (The Plan) pursuant to which the Board of Directors of the Company may grant options, stock appreciation rights, and/or restricted stock to certain directors and employees. The Plan authorizes grants of shares or options to purchase up to 650,000 shares of authorized but unissued common stock. Stock options granted have vesting schedules which are at the discretion of the Board of Directors and determined on the effective date of the grant. The strike price cannot be less than 55% of the market price.

	Shares	Weighted average exercise price	Weighted average remaining contractual life (in years)
Balance outstanding, August 31, 1999	34,700	$ 14.62	10.6
Granted	15,042	14.62	
Balance outstanding, August 31, 2000	49,742	14.62	9.7
Granted	51,074	14.62	
Exercised	16,686	14.62	
Balance outstanding, August 31, 2001	84,130	14.62	9.5
Granted	69,598	15.68	
Exercised	30,453	14.79	
Balance outstanding, May 31, 2002	123,275	$ 15.18	10

On May 31, 2002, there were 123,275 shares exercisable and 479,586 shares available for grant.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

LIQUIDITY AND CAPITAL RESOURCES:

Working capital increased to $54,065,942 at May 31, 2002, up from $53,701,252 at August 31, 2001. As of May 31, 2002, the Company had cash and cash investments of $8,145,555 compared to $6,225,088 at August 31, 2001. Marketable securities increased from $18,726,723 to $21,118,518 during the same period. The ratio of current assets to current liabilities decreased to 7.20 to 1 at May 31, 2002 from 8.03 to 1 at August 31, 2001. The increase in working capital ($54,065,942 vs. $53,701,252 as of May 31, 2002 and August 31, 2001, respectively) was largely due to the increase in the marketable securities. Total assets increased to $191,270,976 at May 31, 2002, compared to $179,033,580 at August 31, 2001.

In connection with financing agreements with commercial banks (See Note 6 under Notes to Condensed Consolidated Financial Statements), the Company has an unused availability of funds of approximately $14.8 million at May 31, 2002.

RESULTS OF OPERATIONS:

The basic business of the Company is agriculture, which is of a seasonal nature and subject to the influence of natural phenomena and wide price fluctuations. The results of operations for the stated periods are not necessarily indicative of results to be expected for the full year.

Net income for the nine months ending May 31, 2002 increased by $3,083,951 when compared to the same period a year ago. ($8,151,303 vs. $5,067,352 for the nine months ended May 31, 2002 and May 31, 2001, respectively). Net income decreased during the three months ended May 31, 2002, compared to the same period a year ago ($431,304 vs. $2,971,742).

Income before income taxes increased $2,799,385 for the nine months ended May 31, 2002, when compared to the same period a year ago. This was largely due to the increase in earnings from real estate activities ($11,529,231 for the nine months ended May 31, 2002 compared to $1,475,014 for the nine months ended May 31, 2001).

Earnings from agricultural activities decreased from the prior year ($2,404,810 vs. $4,639,219 for the third quarter, and $5,382,421 vs. $8,362,560 during the first nine months of fiscal 2002 and 2001, respectively).

Citrus

Citrus earnings decreased for the third quarter ($2,283,741 during fiscal 2002 vs. $3,262,000 during fiscal 2001) and during the nine months ended May 31, 2002, when compared to the prior year ($2,645,034 during the nine months of fiscal 2002 vs. $4,518,888 during the same period in fiscal 2001). This is in part the result of the recognition of additional revenue from the fiscal 2001 fruit crop which was less than the comparable amount realized in the first quarter of the prior year ($568,269 in fiscal 2002, compared to $617,086 in fiscal 2001). Additionally, producing acreage and boxes produced per acre decreased when compared to the prior year, resulting in higher unit costs for both the boxes harvested and the related pounds of solids.

Sugarcane

Sugarcane earnings decreased for the third quarter ($18,838 for fiscal 2002 vs. $666,297 for fiscal 2001) and for the nine months ended May 31, 2002 ($1,900,394 vs. $2,615,190 for the nine months ended May 31, 2001). The number of producing acres are down slightly when compared to the prior year. This factor, combined with the effects of drought conditions early in the growing cycle, has combined to decrease the yield from this years crop.

Ranching

Ranch earnings decreased for both the third quarter ($102,231 vs. $710,922 for the nine months ended May 31, 2002 and May 31, 2001, respectively) and for the nine months ($836,993 vs. $1,228,482 for the nine months ended May 31, 2002 and May 31, 2001, respectively). Market prices, as well as the number of cattle sold for the third quarter, were lower than the same period a year ago.

General Corporate

The Company is continuing its marketing and permitting activities for its land which surrounds the Florida Gulf Coast University site. At May 31, 2002, there were sales contracts in place for more than 5,400 acres of the Lee County, Florida property totaling $146 million. The agreements are at various stages of the due diligence periods with closing dates over the next ten years.

The Company announced the formation of Agri-Insurance Company, Ltd. (Agri) a wholly owned subsidiary, during July of 2000. The insurance company was initially capitalized by transferring cash and approximately 3,000 acres of the Lee County property. Through Agri, the Company has been able to underwrite previously uninsurable risk related to catastrophic crop and other losses. Additionally, the insurance company will have access to reinsurance markets, otherwise inaccessible. The Federal Crop Insurance Program provides coverage for certain perils e.g. freeze damage, windstorm, disease, etc. However, the current Federal Crop Insurance Program does not provide business interruption coverage. The coverages currently underwritten by Agri will indemnify the insured for a loss of their revenue stream resulting from a catastrophic event that would cause a grove to be replanted. The insurance market is bifurcated into insurers and reinsurers. Reinsurers provide wholesale insurance coverage to the industry. Some specialized reinsurers will only deal with insurance companies. As a result, the only way to access the wholesale insurance market is through the formation of a captive insurance company. Reinsurers provide greater insurance coverage flexibility than can be found in the primary insurance market.

Agri is a newly created entity. It would be difficult, if not impossible, to speculate about the impact that Agri could have on our financial position, results of operations and liquidity in future periods. Since future coverages that will be written, as liquidity is generated, will be primarily for the benefit of Alico, the financial substance of this venture is to insure risk that is inherent in the Company's existing operations. To expedite the creation of the capital liquidity necessary to underwrite the Company's exposure to catastrophic losses, another 5,600 acres were transferred during fiscal 2001. Agri underwrote a limited amount of coverage, referred to above, during fiscal 2001. As Agri gains underwriting experience and increases its liquidity, it will be able to increase its insurance program.

During September of 1999, the Company announced a sale of 1,270 acres of land surrounding the University site in Lee County for $16.5 million. The contract called for 25 percent of the purchase price to be paid at closing, with the balance payable over the next four years. In July of 2000, Agri sold another 488 acres to the same buyer, also near the University, for $10.6 million. In connection with the sale, the purchaser agreed to pay off the $12.3 million mortgage related to the September 1999 sale and pay 10% of the contract price for their second purchase at closing, with the balance payable over the next four years. The first sale generated a pre-tax gain of $13.4 million. The gain related to the second sale was recognized during fiscal 2000, to the extent that 10% of the purchase price has been collected net of closing costs ($959 thousand). The remainder of the gain and related mortgage were recognized during the current fiscal year upon receipt of the first annual mortgage payment which, combined with the initial payment in fiscal 2000, exceeded 20% of the contract price.

During November 2001, Agri began to close on a 2,500 acre, $30 million sale, of which 40 acres were transferred in November and 1,744 acres were transferred by the end of December. However, upon mutual consent 323 acres, representing $9.6 million were released from the contract and retained by Agri for sale at a future date. The remaining 393 acres are scheduled to be transferred by the end of calendar year 2002. The profit from this transaction is included in statement of operations under gain on sales of real estate.

As discussed above and in Note 7 to the Condensed Consolidated Financial Statements, Alico primarily utilized its inventory of land and additional contributed capital to bolster the underwriting capacity of Agri. As Agri has converted certain of the assets contributed by Alico to cash, book and tax differences have arisen resulting from differing viewpoints related to the tax treatment of insurance companies for both federal and state tax purposes. Due to the historic nature of the primary assets contributed as capital to Agri and the timing of the sales of certain of those assets by Agri, management has decided to record a contingent liability, providing for potential differences in the tax treatment of sales of Agri's assets in its initial year of operation. Management's decision has been influenced by perceived changes in the regulatory environment.

Also in December 2001, the Company agreed to donate $5 million to Florida Gulf Coast University for a new athletic complex, scholarships and athletic programs. The agreement calls for $1 million to be donated during the current fiscal year and $800 thousand to be donated each year over the next five years. The donation has been accrued and is included in general and administrative expenses in the statement of operations.

During January 2002, the Company acquired 40 acres of Lee County property for $9.5 million. The property is located near one of the interstate highway access ramps to Florida Gulf Coast University and the Southwest Florida International Airport.

Critical Accounting Policies and Estimates

The preparation of our financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect our reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. On an on-going basis, we evaluate our estimates and assumptions based upon historical experience and various other factors and circumstances. Management believes that our estimates and assumptions are reasonable in the circumstances; however, actual results may vary from these estimates and assumption under different future circumstances. We have identified the following critical accounting policies that affect the more significant judgments and estimates used in the preparation of our consolidated financial statements.

Alico records inventory at the lower of cost or market. Management regularly assesses estimated inventory valuations based on current and forecasted usage of the related commodity and any other relevant factors that affect the net realizable value.

Based on fruit buyers' and processors' advances to growers, stated cash and futures markets combined experience in the industry, management reviews the reasonableness of citrus revenue accrual. Adjustments are made throughout the year to these estimates as relevant information regarding the citrus market becomes available. Fluctuation in the market prices for citrus fruit has caused the Company to recognize additional revenue from the prior year's crop totaling $568,269 during fiscal 2002 and $617,086 in 2001.

In accordance with Statement of Position 85-3 "Accounting by Agricultural Producers and Agricultural Cooperatives", the cost of growing crops (citrus and sugarcane) are capitalized into inventory until the time of harvest. Once a given crop is harvested, the related inventoried costs are recognized as a cost of sale to provide an appropriate matching of costs incurred with the related revenue earned.

Cautionary Statement

Readers should note, in particular, that this Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that involve substantial risks and uncertainties. When used in this document, or in the documents incorporated by reference herein, the words "anticipate", "believe", "estimate", "may", "intend" and other words of similar meaning, are likely to address the Company's growth strategy, financial results and/or product development programs. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained herein. The considerations listed herein represent certain important factors the Company believes could cause such results to differ. These considerations are not intended to represent a complete list of the

general or specific risks that may effect the Company. It should be recognized that other risks, including general economic factors and expansion strategies, may be significant, presently or in the future, and the risks set forth herein may affect the Company to a greater extent than indicated.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

No changes

FORM 10-Q

PART II. OTHER INFORMATION

ITEM 6. Exhibits and reports on Form 8-K.

(a) Exhibits:

A. Accountant's Report.

B. Computation of Weighted Average Shares Outstanding at May 31, 2002.

(b) Reports on Form 8-K.

October 2, 2001
October 9, 2001
December 5, 2001
December 7, 2001
December 7, 2001
December 12, 2001
December 13, 2001
January 7, 2002
January 7, 2002
January 31, 2002
February 25, 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALICO, INC.
(Registrant)

July 15, 2002	W. Bernard Lester
Date	President
	Chief Operating Officer
	(Signature)
July 15, 2002	L. Craig Simmons
Date	Vice President
	Chief Financial Officer
	(Signature)
July 15, 2002	Deirdre M. Purvis
Date	Controller
	(Signature)

EXHIBIT A

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Stockholders and
Board of Directors
Alico, Inc.:

We have reviewed the condensed consolidated balance sheet of Alico, Inc. and subsidiaries as of May 31, 2002, and the related condensed consolidated statements of operations for the three-month and nine-month periods ended May 31, 2002 and May 31, 2001, the condensed consolidated statements of stockholders' equity for the nine-month period May 31, 2002, and the condensed consolidated statements of cash flows for the nine-month periods ended May 31, 2002 and May 31, 2001. These condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical review procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Alico, Inc. and subsidiaries as of August 31, 2001 and the related consolidated statements of operations, stockholders' equity and cash flows for the year then ended (not presented herein); and in our report dated October 12, 2001 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of August 31, 2001, is fairly presented, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

s/s KPMG LLP

Orlando, Florida
June 27,2002

FORM 10-Q

ALICO, INC.

Computation of Weighted Average Shares Outstanding as of May 31, 2002:

Number of shares outstanding at August 31, 2001	7,044,513
Number of shares outstanding at May 31, 2002	7,074,966
Weighted Average 9/1/01 - 05/31/02	7,065,053

EXHIBIT B