

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): March 30, 2010

ALICO, INC.

(Exact Name of Registrant as Specified in Charter)

| | | |
|---|--------------------------|--------------------------------------|
| FLORIDA | 0-261 | 59-0906081 |
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| | |
|---|------------|
| POST OFFICE BOX 338, LA BELLE, FLORIDA | 33975 |
| (Address of Principal Executive Offices) | (Zip Code) |

Registrant's telephone number, including area code: (863) 675-2966

N/A

(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 C.F.R. 230.425)

Soliciting Material pursuant to Rule 14a-12 under the Exchange Act (17 C.F.R. 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 C.F.R. 240.13e-4(c))

Item 1.01, 3.03

Alico announced today that it had received a one time reduction of its debt service coverage covenant ratio requirement from its primary lender.? Under the terms of the agreement, the debt service covenant ratio is reduced from 1.10 to 0.85.? The reduction applies only to the quarter ending March 31, 2010 and only to the debt service covenant ratio.? All other ratios and requirements remain intact.? There was no cost associated with obtaining the modification.? The Company also agreed that no dividend will be declared or paid for the quarter ending March 31, 2010.?? The Company is currently in discussions to restructure its debt.

Item 9.01. *Financial Statements and Exhibits.*

(a) *Financial Statements of Businesses Acquired.*

Not applicable.

(b) *Pro Forma Financial Information.*

Not applicable.

(c) *Shell Company Transactions.*

Not applicable.

(d) *Exhibits.*

The following exhibits are included with this Report:

Exhibit 99.1 Press Release announcing the one time debt service coverage covenant reduction.

Exhibit 99.2 Executed debt service coverage covenant reduction.

SIGNATURES

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

ALICO, INC.

(Registrant)

Date: April 1, 2010

By:

/s/ Patrick W. Murphy

Patrick W. Murphy

Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit 99.1 Press Release announcing the one time debt service coverage covenant reduction.

Exhibit 99.2 Executed debt service coverage covenant reduction.

Exhibit 99.1

April 1, 2010

Alico Negotiates a One Time Debt Covenant Reduction

LaBelle, FL, April 1, 2010, Alico, Inc. (NASDAQ: ALCO), a land management company, announced that it had received a one time reduction of its debt service coverage covenant ratio requirement from its primary lender. Under the terms of the agreement, the debt service covenant ratio is reduced from 1.10 to 0.85. The reduction applies only to the quarter ending March 31, 2010 and only to the debt service covenant ratio. All other ratios and requirements remain intact.

JD Alexander, the Company's CEO stated "We appreciate the cooperation of Farm Credit in relaxing this covenant. We have taken progressively more aggressive steps to reduce costs during the current quarter; however, the recent freezes in January 2010 negatively impacted our operating results. We believe that the Company will come very close to achieving the unadjusted loan covenant ratio but in an abundance of caution we believe that seeking the covenant reduction is a prudent step. There was no cost associated with obtaining the modification and we do not anticipate needing future loan covenant reductions. The Company also agreed that no dividend will be declared or paid for the quarter ending March 31, 2010. The Company is currently in discussions to restructure its debt in a manner that will enhance its ability to maintain future compliance with the debt service coverage covenant."

About Alico, Inc.

Alico, Inc., a land management company operating in Central and Southwest Florida, owns approximately 135,500 acres of land located in Collier, Glades, Hendry, Lee and Polk counties. Alico is involved in various agricultural operations and real estate activities. Alico's mission is to grow its asset values through its agricultural and real estate activities to produce superior long-term returns for its shareholders.

For Further Information Contact:

JD Alexander

La Belle, Florida

(863) 675-2966

Statements in this press release that are not statements of historical or current fact constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements, such as the statement that the Company will come close to achieving its debt service covenant requirement and the anticipation that the Company will not need future reductions and that future compliance is assured involve known and unknown risks, uncertainties and other unknown factors that could cause the actual results of the Company to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in the Company's reports and registration statements filed with the Securities and Exchange Commission.

Exhibit 99.2

March 26, 2010

Alico, Inc.

Post Office Box 338

LaBelle, Florida 33975

Attn: Patrick W. Murphy, CFO

Re: Covenant Reduction under Amended and Restated Loan Agreement among Alico, Inc., ("**Borrower**") and Farm Credit of Southwest Florida, ACA ("**Lender**") dated effective May 26, 2006, as amended on August 30, 2007, February 26, 2008, March 25, 2008, September 3, 2008, and March 30, 2009 (collectively, the "**Loan Agreement**")

Dear Mr. Murphy:

Reference is made to the Loan Agreement referenced above. Any capitalized terms used but not defined herein shall have the meaning set forth in said Loan Agreement. Based on the information you have furnished to us, we are advised that for the quarter ending March 31, 2010, the parties to the Loan Agreement may be in violation of the requirement set forth in Section 4.3(c) of the Loan Agreement to maintain a Debt Service Coverage Ratio for such period of not less than 1.10 to 1.00. This is to advise you that Lender hereby provides this one time reduction of compliance with the financial covenant referenced above for the quarter ending March 31, 2010 of not less than .85 to 1.00. This one time reduction is limited to the aforesaid covenant for the quarter ending March 31, 2010 and may not be construed to extend to any other violations by the parties to the Loan Agreement with said covenant for any other time period or to any other violations by any of the parties to the Loan Agreement of any other term or covenant of the Loan Agreement or any Loan Document.

Furthermore, this is to advise you that no Borrower, Guarantor or any subsidiary of Borrower shall pay or declare any distribution or dividend for the quarter ending March 31, 2010.

The one time reduction provided herein shall in no way be construed to amend, modify or otherwise vary the terms of the Loan Agreement or any other Loan Document, all of which shall remain in full force and effect until maturity and termination of the loans referenced therein. If you accept these conditions please acknowledge such acceptance below. The one time reduction of the covenant provided herein shall be effective upon our receipt of an acknowledgment of this letter by the parties to such Loan Agreement.

Sincerely,

Farm Credit of Southwest Florida, ACA

By: /s/ Greg Carlton

Its: Vice President

The parties named below, being all of the parties to the Loan Agreement referenced above, hereby acknowledge and agree to the terms and conditions of the foregoing under seal on the date set forth below.

BORROWER:

ALICO, INC. (SEAL)

By: /s/ Patrick W. Murphy

Patrick W. Murphy, CFO

Date: 3/30/10

GUARANTORS:

BOWEN BROTHERS FRUIT, LLC (SEAL)

By: ALICO, Inc., sole member

By: /s/ Patrick W. Murphy

Patrick W. Murphy, CFO

Date: 3/30/10

ALICO-AGRI, LTD. (SEAL)

By: Alico, Inc., General Partner

By: /s/ Patrick W. Murphy

Patrick W. Murphy, CFO

Date: 3/30/10

ALICO LAND DEVELOPMENT, INC. (f/k/a

SADDLEBAG LAKE RESORTS, INC.) (SEAL)

By: /s/ Patrick W. Murphy

Patrick W. Murphy, CFO

Date: 3/30/10

