

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 three months ended November 30, 1995.

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 59-0906081
(State or other jurisdiction of (I.R.S. Employer
incorporation of organization) Identification No.)

P. O. Box 338, La Belle, FL 33935
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code 813/675-2966

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 7,027,827 shares of common stock, par value \$1.00 per share,
outstanding at January 12, 1996.

<TABLE>
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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ALICO, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
(See Accountants' Review Report)

(Unaudited)

Three Months Ended November 30,
1995 1994

<S>	<C>	<C>
Revenue:		
Citrus	\$ 4,170,160	\$ 3,447,467
Sugarcane	1,386,324	1,162,104
Ranch	1,534,571	611,420
Rock products and sand	234,392	277,488
Oil lease and land rentals	71,148	53,851
Forest products	39,450	28,622
Profit on sales of real estate	16,908	19,597
Interest and investment income	351,632	246,301
Other	19,944	29,016
Total revenue	7,824,529	5,875,866
Cost and expenses:		
Citrus production, harvesting and marketing	3,374,648	3,141,489
Sugarcane production and harvesting	1,051,472	792,353
Ranch	1,528,916	446,941
Real estate expenses	97,204	115,274
Interest	136,311	218,571
Other, general and administrative	650,587	522,084
Total costs and expenses	6,839,138	5,236,712

Income before income taxes	985,391	639,154		
Provision for income taxes	338,065	218,141		
Net income	647,326	421,013		
Retained earnings beginning of period	68,113,690	60,929,277		
Dividends paid	(2,459,739)	(1,756,957)		
Retained earnings end of period	66,301,277	59,593,333		
Weighted average number of shares outstanding	7,027,827	7,027,827		
Per share amounts:				
Net income	\$.09	\$.06		
Dividends	\$.35	\$.25	\$.25	\$.15

<FN>
See accompanying notes to condensed consolidated financial statements.
</TABLE>

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

FORM 10-Q

	(Unaudited) November 30, 1995	(Audited) August 31, 1995
ASSETS		
<S>	<C>	<C>
Current assets:		
Cash and cash investments	\$ 1,597,381	\$ 1,148,733
Marketable Securities	9,056,883	9,410,936
Accounts and mortgage notes receivable	7,525,714	7,854,254
Inventories	12,660,278	13,057,136
Prepaid expenses	418,452	101,461
Interest receivable	193,900	163,342
Total current assets	31,452,608	31,735,862
Mortgage notes receivable, non-current	2,213,199	2,229,528
Land held for development and sale	7,637,755	7,322,740
Investments	800,951	925,785
Other	64,427	42,983
Property, buildings and equipment	93,253,331	91,703,367
Less: Accumulated depreciation	(25,861,626)	(24,953,086)
Total assets	\$109,560,645	\$109,007,179

CONDENSED CONSOLIDATED BALANCE SHEETS
(See Accountants' Review Report)
(Continued)

	(Unaudited) November 30, 1995	(Audited) August 31, 1995
LIABILITIES		
<S>	<C>	<C>
Current liabilities:		
Accounts payable	\$ 1,180,436	\$ 949,397
Due to profit sharing plan	-	217,968
Accrued ad valorem taxes	-	1,076,241

Accrued donation (See Note 6)	1,539,641	1,638,038	
Accrued expenses	132,855	136,597	
Income taxes payable	376,875	254,393	
Deferred income taxes	1,223,853	1,383,820	
Total current liabilities	4,453,660	5,656,454	21,711,454
Note payable to bank	19,590,000	16,055,000	
Deferred income taxes	11,750,634	11,674,524	
Deferred retirement benefits	165,384	214,945	
Total liabilities	35,959,678	33,600,923	
STOCKHOLDERS' EQUITY			
Common stock	\$ 7,027,827	\$ 7,027,827	
Unrealized gains on marketable securities	271,863	264,739	
Retained earnings	66,301,277	68,113,690	
Total stockholders' equity	73,600,967	75,406,256	
Total liabilities and stockholders' equity	\$109,560,645	\$109,007,179	

<FN>

See Accompanying notes to condensed consolidated financial statements.

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

FORM 10-Q

(Unaudited)
 Three Months Ended November 30,
 1995 1994

<S>

Cash flows from operating activities:

	<C>	<C>
Net income	\$ 647,326	\$ 421,013
Adjustments to reconcile net income to cash provided from (used for) operating activities:		
Depreciation	1,042,544	994,930
Accrued donation	(98,397)	(25,487)
Net decrease in current assets and liabilities	(563,878)	(927,539)
Deferred income taxes	(88,159)	(87,835)
Other	(497,759)	(63,905)
Net cash provided from operating activities	441,677	311,177

Cash flows from (used for) investing activities:

Purchases of property and equipment	(1,698,177)	(2,210,714)
Proceeds from sales of property and equipment	40,431	-
Purchases of marketable securities	(694,369)	(115,169)
Proceeds from sales of marketable securities	1,270,199	410,010
Net cash used for investing activities	(1,081,916)	(1,915,873)

Cash flows from (used for) financing activities:

Notes receivable collections	13,626	21,174
Repayment of bank loan	(3,270,000)	(3,350,000)
Proceeds from bank loan	6,805,000	6,830,000
Dividends paid	(2,459,739)	(1,756,957)
Net cash provided from financing activities	1,088,887	1,744,217

Net increase (decrease) in cash and cash investments	\$ 448,648	\$ 139,521
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Supplemental disclosures of cash flow information:

Cash paid for interest, net of amount capitalized	\$ 118,075	\$ 191,563
	<u> </u>	<u> </u>
Cash paid for income taxes	\$ 285,000	\$ 185,000
	<u> </u>	<u> </u>

<FN>

See accompanying notes to condensed consolidated financial statements.

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ALICO, INC. AND SUBSIDIARY
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 the Company and its wholly owned subsidiary, Saddlebag Lake Resorts, Inc., 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, 1995. 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 November 30, 1995 and August 31, 1995 and the consolidated results of operations and cash flows for the three months ended November 30, 1995 and 1994.

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. Fluctuation in the market prices for citrus fruit has caused the Company to recognize additional revenue from the prior year's crop totaling \$482,211 in 1995 and \$283,492 in 1994. The results of operations for the stated periods are not necessarily indicative of results to be expected for the full year.

2. Accounts and mortgage notes receivable:

Mortgage notes receivable 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. Inventories:

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

	November 30, 1995	August 31, 1995
	<u> </u>	<u> </u>
Unharvested fruit crop on trees	\$ 6,257	\$ 6,027
Unharvested sugarcane	2,048	2,138
Beef cattle	3,819	4,429
Sod	536	463
	<u> </u>	<u> </u>
Total inventories	\$12,660	\$13,057
	<u> </u>	<u> </u>

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4. Income taxes:

The provision for income taxes for the quarters ended November 30, 1995 and 1994 is summarized as follows:

	Three Months Ended November 30,			
	1995	1994		
	<u> </u>	<u> </u>		
<S>	<C>	<C>		
Current:				
Federal income tax	\$ 348,863	\$ 277,110		
State income tax	58,322	28,866	263,516	240,190
	<u> </u>	<u> </u>		
	407,185	305,976		
	<u> </u>	<u> </u>		
Deferred:				
Federal income tax	(62,452)	(82,956)		

State income tax	(6,668)	(4,879)
	<u> </u>	<u> </u>
	(69,120)	(87,835)
	<u> </u>	<u> </u>
Total provision for income taxes	\$ 338,065	\$ 218,141
	<u> </u>	<u> </u>

Following is a reconciliation of the expected income tax expense computed at the U.S. Federal statutory rate of 34% and the actual income tax provision for the quarters ended November 30, 1995 and 1994:

	Three Months Ended November 30,	
	1995	1994
<S>	<C>	<C>
Expected income tax	\$ 335,033	\$ 217,312
Increase (decrease) resulting from:		
State income taxes, net of federal benefit	35,770	23,201
Nontaxable interest and dividends	(42,100)	(49,606)
Other reconciling items, net	9,362	27,234
	<u> </u>	<u> </u>
Total provision for income taxes	\$ 338,065	\$ 218,141
	<u> </u>	<u> </u>

The Company is currently under examination by the Internal Revenue Service for the years ended August 31, 1992, 1991 and 1990. The adjustments proposed to date by the Internal Revenue Service would result in approximately \$6.9 million in additional income taxes. When the matter is resolved, any income taxes due will become currently payable. However, the majority of the proposed adjustments relate to the timing of recognition of certain income and expense items already provided for in the Company's deferred tax liability accounts.

A partial settlement was reached with the Internal Revenue Service during April of 1995. A payment of \$385,043 was made consisting of \$260,259 taxes and \$124,784 interest. The items conceded related to the timing of recognition of certain items previously expensed. The effect of this payment was to increase interest expense by \$124,784 and reduce the current deferred tax liability by \$260,259.

5. Indebtedness:

The Company has a financing agreement with a commercial bank that permits the Company to borrow up to \$25 million. The financing agreement allows the Company to borrow up to \$22,000,000 which is due in January 1997 and up to \$3,000,000 which is due on demand. The total amount of long-term debt under this agreement at November 30, 1995 and August 31, 1995 was \$19,590,000 and \$16,055,000, respectively.

Interest cost expensed and capitalized during the three months ended November 30, 1995 and November 30, 1994 was as follows:

	1995	1994
	<u> </u>	<u> </u>
Interest expensed	\$136,311	\$218,571
Interest capitalized	175,990	103,853
	<u> </u>	<u> </u>
Total interest cost	\$312,301	\$322,424
	<u> </u>	<u> </u>

6. Commitment:

During October 1992 the Company entered into an agreement to donate land, improvements and other items, to the State of Florida, to be used as a site for a new university. The gift included 975 acres of land, road construction, engineering and planning services, assistance with utility costs and academic chairs. The commitment was recorded as a contribution in May 1994 when the title to the land was transferred. Costs related to road construction have been accrued and capitalized into land. Other costs will be expensed as incurred.

7. Accountants' review report:

The accompanying unaudited condensed consolidated financial statements have been reviewed by the Company's independent auditors in accordance with standards for such limited reviews established by the American Institute of Certified Public Accountants. The report of such auditors with respect to their limited review is attached hereto as Exhibit A.

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

LIQUIDITY AND CAPITAL RESOURCES:

Working capital increased to \$26,998,948 at November 30, 1995, up from \$26,079,408 at August 31, 1995. As of November 30, 1995 the Company had cash and cash investments of \$1,597,381 compared to \$1,148,733 at August 31, 1995. Marketable securities decreased from \$9,410,936 to \$9,056,883 during the same period. The ratio of current assets to current liabilities increased from 5.61 to 1 at August 31, 1995 to 7.06 to 1 at November 30, 1995. Total assets increased by \$553,466 from \$109,007,179 at August 31, 1995 to \$109,560,645 at November 30, 1995.

The working capital increase (\$919,540) is primarily the result of the decrease in current liabilities (\$5,656,454 vs. \$4,453,660 at August 31, 1995 and November 30, 1995, respectively). Ad valorem taxes (\$1,076,241) and the profit sharing plan contribution (\$217,968), accrued at August 31, 1995 were paid during the first quarter of fiscal 1996.

In connection with a financing agreement with a commercial bank (See Note 5 under Notes to Condensed Consolidated Financial Statements), the Company has an unused availability of funds of approximately \$5.4 million at November 30, 1995.

RESULTS OF OPERATIONS:

When compared to the same period a year ago, net income increased \$226,313 during the first quarter of fiscal 1996. Income before income taxes increased \$346,237 during the first quarter of fiscal 1996, when compared to the same period a year ago, largely due to an increase in earnings from agricultural activities (\$1,136,019 vs. \$840,208 during the first quarters of fiscal 1996 and 1995, respectively.)

Citrus earnings increased during the first quarter of fiscal 1996, when compared to the same period last year (\$795,512 vs. \$305,978), primarily the result of improved market prices for citrus products.

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ITEM 2. Management's Discussion
RESULTS OF OPERATIONS (Continued):

Sugarcane earnings, during the first quarter, approximated those of the same period a year ago (\$334,852 vs. \$369,751 during the first quarter of fiscal 1996 and 1995, respectively). Ranch earnings, however, decreased \$158,824 during the first quarter of fiscal 1996, compared to the first quarter of fiscal 1995 (\$5,655 vs. \$164,479, respectively). A decrease in market prices for beef is the primary cause for the decrease in profits for this division.

Land preparation activities are underway for the new Florida Gulf Coast University which is scheduled to open in August 1997. The Company is continuing its marketing and permit activities for its land which surrounds the University site.

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 November 30, 1995.
- C. Exhibit 27 - Financial Data Schedule.

(b) Reports on Form 8-K.

December 18, 1995.

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)

January 12, 1996
Date

W. Bernard Lester
Executive Vice President
and Chief Operating Officer
(Signature)

January 12, 1996
Date

L. Craig Simmons
Vice President and
Chief Financial Officer
(Signature)

January 12, 1996
Date

Patrick W. Murphy
Controller
(Signature)

EXHIBIT A

The Stockholders and
Board of Directors
Alico, Inc:

We have reviewed the condensed consolidated balance sheet of Alico, Inc. and subsidiary as of November 30, 1995, and the related condensed consolidated statements of operations and retained earnings for the three-month periods ended November 30, 1995 and 1994, and the related condensed consolidated statements of cash flows for the three-month periods ended November 30, 1995 and 1994, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A review of interim financial information consists principally of obtaining an understanding of the system for the preparation of interim financial information, 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 in accordance with generally accepted auditing standards, 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 generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Alico, Inc. and subsidiary as of August 31, 1995 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 6, 1995, 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, 1995, is fairly presented, in all material respects, in relation to the balance sheet from which it has been derived.

KPMG PEAT MARWICK LLP
(Signature)

Orlando, Florida
January 5, 1996

FORM 10-Q

ALICO, INC.

Computation of Weighted Average Shares Outstanding as of November 30, 1995:

Number of shares outstanding at August 31, 1995	7,027,827

Number of shares outstanding at November 30, 1995	7,027,827

Weighted Average 9/1/95 - 11/30/95	7,027,827

EXHIBIT B

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET OF ALICO, INC. AND SUBSIDIARY AS OF NOVEMBER 30, 1995 AND THE RELATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS AND CASH FLOWS FOR THE THREE MONTHS THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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