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, 1996.

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 incorporation of organization)	(I.R.S. Employer Identification No.)
P. O. Box 338, La Belle, FL	33975
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 941/675-2966

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 July 12, 1996.

<TABLE>
<CAPTION>

FORM 10-Q

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 May 31, 1996	1995	(Unaudited) Nine Months Ended May 31, 1996	1995
<S>	<C>	<C>	<C>	<C>
Revenue:				
Citrus	$ 8,721,183	$ 6,104,297	$20,024,525	$16,354,582
Sugarcane	354,709	847,565	5,763,342	5,870,393
Ranch	1,533,122	1,209,980	3,263,385	2,150,968
Rock products and sand	228,429	222,144	676,065	712,832
Oil lease and land rentals	184,416	329,898	367,909	500,659
Forest products	58,660	39,040	136,080	92,982
Profit on sales of real estate	90,637	60,905	187,538	97,129
Interest and investment income	233,763	238,342	845,042	758,720
Other	35,177	12,529	120,973	58,912
Total revenue	11,440,096	9,064,700	31,384,859	26,597,177
Cost and expenses:				
Citrus production, harvesting and marketing	5,089,841	4,633,091	14,095,803	12,927,855
Sugarcane production and harvesting	-	485,693	4,198,186	4,238,053
Ranch	3,198,471	975,349	4,871,301	1,614,161
Real estate expenses	110,792	129,156	369,646	357,587
Interest	486,524	406,694	796,228	943,299
Other, general and administrative	474,034	513,377	1,828,948	1,572,282
Total costs and expenses	9,359,662	7,143,360	26,160,112	21,653,237
Income before income taxes	2,080,434	1,921,340	5,224,747	4,943,940
Provision for income taxes	857,410	694,279	1,954,363	1,755,440

Net income	1,223,024	1,227,061	3,270,384	3,188,500
Retained earnings beginning of period	67,701,311	61,133,759	68,113,690	60,929,277
Dividends paid	-	-	(2,459,739)	(1,756,957)
Retained earnings end of period	$68,924,335	$62,360,820	$68,924,335	$62,360,820
Weighted average number of shares outstanding	7,027,827	7,027,827	7,027,827	7,027,827
Per share amounts:				
Net income	$ .17	$ .17	$ .47	$ .45
Dividends	$ -	$ -	$ .35	$ .25

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

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ALICO, INC. AND SUBSIDIARY FORM 10-Q
CONDENSED CONSOLIDATED BALANCE SHEETS
(See Accountants' Review Report)

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	(Unaudited) May 31, 1996	(Audited) August 31, 1995
ASSETS		
Current assets:		
Cash and cash investments	$ 913,715	$ 1,148,733
Marketable securities	10,244,884	9,410,936
Accounts and mortgage notes receivable	12,105,038	7,854,254
Inventories	9,951,200	13,057,136
Prepaid expenses	185,412	101,461
Interest receivable	277,641	163,342
Total current assets	33,677,890	31,735,862
Mortgage notes receivable, non-current	2,229,552	2,229,528
Land held for development and sale	7,673,331	7,322,740
Investments	914,615	925,785
Other	44,581	42,983
Property, buildings and equipment	96,020,445	91,703,367
Less: Accumulated depreciation	(27,009,020)	(24,953,086)
Total assets	$113,551,394	$109,007,179

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

<S> <C> <C>

	(Unaudited) May 31, 1996	(Audited) August 31, 1995
LIABILITIES		
Current liabilities:		
Accounts payable	$ 1,406,733	$ 949,397
Due to profit sharing plan	-	217,968
Accrued ad valorem taxes	695,930	1,076,241
Accrued donation (See Note 6)	1,240,238	1,638,038
Accrued expenses	396,953	136,597

Income taxes payable	346,457	254,393
Deferred income taxes	1,930,045	1,383,820
Total current liabilities	6,016,356	5,656,454
Note payable to bank	19,600,000	16,055,000
Deferred income taxes	11,366,835	11,674,524
Deferred retirement benefits	248,655	214,945
Total liabilities	37,231,846	33,600,923
STOCKHOLDERS' EQUITY		
Common stock	$ 7,027,827	$ 7,027,827
Unrealized gains on marketable securities	367,386	264,739
Retained earnings	68,924,335	68,113,690
Total stockholders' equity	76,319,548	75,406,256
Total liabilities and stockholders' equity	$113,551,394	$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)

<S>	(Unaudited) Nine Months Ended May 31, 1996	1995
Cash flows from operating activities:	<C>	<C>
Net income	$ 3,270,384	$ 3,188,500
Adjustments to reconcile net income to cash provided from (used for) operating activities:		
Depreciation	3,136,985	3,097,942
Accrued donation	(397,800)	(194,583)
Net decrease in current assets and liabilities	(2,293,604)	(1,123,711)
Deferred income taxes	176,605	(402,428)
Other	(377,893)	(341,350)
Net cash provided from operating activities	3,514,677	4,224,370
Cash flows from (used for) investing activities:		
Purchases of property and equipment	(4,604,584)	(6,848,571)
Proceeds from sales of property and equipment	289,368	190,783
Purchases of marketable securities	(3,490,568)	(1,249,473)
Proceeds from sales of marketable securites	2,944,187	978,904
Net cash used for investing activities	(4,861,597)	(6,928,357)
Cash flows from (used for) financing activities:		
Notes receivable collections	26,641	695,609
Repayment of bank loan	(9,091,000)	(9,570,000)
Proceeds from bank loan	12,636,000	13,449,002
Dividends paid	(2,459,739)	(1,756,957)
Net cash provided from financing activities	1,111,902	2,817,654
Net increase (decrease) in cash and cash investments	$ (235,018)	$ 113,667
Supplemental disclosures of cash flow information:		
Cash paid for interest, net of amount capitalized	$ 444,378	$ 833,080
Cash paid for income taxes	$ 1,785,000	$ 1,744,600

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

</TABLE>

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 Alico, Inc. (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 of normal recurring accruals) necessary for a fair presentation of its consolidated financial position at May 31, 1996 and the consolidated results of operations for the three and nine months ended May 31, ended May 31, 1996 and May 31, 1995 and cash flows for the nine months. then ended.

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 $1,087,921 in 1996 and $1,770,146 in 1995. The results of operations for the stated periods are not necessarily indicative of results to be expected for the full year.

2. Recognition of revenue for real estate sales

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:

	May 31, 1996	August 31, 1995
Unharvested fruit crop on trees	$ 5,098	$ 6,027
Unharvested sugarcane	1,368	2,138
Beef cattle	3,457	4,429
Sod	28	463
Total inventories	$ 9,951	$13,057

<TABLE>
<CAPTION>

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4. Income taxes:

The provision for income taxes for the quarters ended May 31, 1996 and May 31, 1995 is summarized as follows:

	Three Months Ended May 31, 1996	Three Months Ended May 31, 1995	Nine Months Ended May 31, 1996	Nine Months Ended May 31, 1995
<S>	<C>	<C>	<C>	<C>
Current:				
Federal income tax	$ 632,889	$ 600,190	$1,503,047	$1,579,707
State income tax	92,841	99,105	233,281	263,516
	725,730	699,295	1,736,328	1,843,223
Deferred:				
Federal income tax	110,725	(3,933)	188,750	(75,561)
State income tax	20,955	(1,083)	29,285	(12,222)
	131,680	(5,016)	218,035	(87,783)
Total provision for income taxes	$ 857,410	694,279	$1,954,363	$1,755,440

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 May 31, 1996 and 1995:

	Three Months Ended		Nine Months Ended	
	May 31,	May 31,	May 31,	May 31,

<S>	1996 <C>	1995 <C>	1996 <C>	1995 <C>
Expected income tax	$ 707,348	$ 653,256	$1,776,414	$1,680,940
Increase (decrease) resulting from:				
State income taxes, net of federal benefit	75,519	69,745	189,658	179,465
Nontaxable interest and dividends	(35,782)	(34,748)	(115,886)	(134,906)
Other reconciling items, net	110,325	6,026	104,177	29,941
Total provision for income taxes	$ 857,410	$ 694,279	$1,954,363	$1,755,440

</TABLE>

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.

Partial settlements were made with the Internal Revenue Service during April of 1995 and June of 1996 for the year ended August 31, 1990. The items conceded related to the timing of recognition of certain items previously expensed. The effect of the $385,043 payment made in April 1995 was to increase interest expense by $124,784 and reduce the current deferred tax liability by $260,259. The $1,000,000 payment made in June 1996 will reduce the current deferred tax liability by $737,000. Interest totaling $263,000 was accrued at May 31, 1996.

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 1998 and up to $3,000,000 which is due on demand. The total amount of long-term debt under this agreement at May 31, 1996 and August 31, 1995 was $19,600,000 and $16,055,000, respectively.

During June 1996, the Company entered into a second financing agreement with another commercial lender. The agreement allows the Company to borrow up to $5 million. As of May 31, 1996, the Company had not incurred any debt under this agreement.

Interest cost expensed and capitalized during the nine months ended May 31, 1996 and May 31, 1995 was as follows:

	1996	1995
Interest expensed	$ 796,228	$ 943,299
Interest capitalized	525,867	384,946
Total interest cost	$1,322,095	$1,328,245

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 $27,661,534 at May 31, 1996, up from $26,079,408 at August 31, 1995. As of May 31, 1996, the Company had cash and cash investments of $913,715 compared to $1,148,733 at August 31, 1995. Marketable securities increased from $9,410,936 to $10,244,884 during the same period. The ratio of current assets to current liabilities was essentially the same, (5.61 to 1 and 5.60 to 1) at May 31, 1995 and 1996, respectively. Total assets increased by $4,544,215 from $109,007,179 at August 31, 1995 to $113,551,394 at May 31, 1996.

The working capital increase ($1,582,126) is largely the result of an increase in accounts and mortgage notes receivable ($7,854,254 vs. $12,105,038 at August 31, 1995 and May 31, 1996, respectively). An increase in the boxes of citrus harvested, compared to the prior year, in addition to improved market prices for citrus have combined to increase revenues and the related accounts receivable.

In connection with financing agreements with commercial banks (See Note 5 under Notes to Condensed Consolidated Financial Statements), in addition to an unused availability of funds of approximately $5.4 million at May 31, 1996, the Company completed a financing agreement in June 1996, providing for an additional $5 million.

RESULTS OF OPERATIONS:

Net income varied slightly from the prior year, decreasing $4,037 when compared to third quarter a year ago, and increasing $81,884 for the nine months ended May 31, 1996. Income before income taxes increased $280,807 during the first nine months and increased by $159,094 during the third quarter of fiscal 1996, when compared to the same periods a year ago. This was largely due to earnings from agricultural activities ($2,320,702 vs. $2,067,709 for the third quarter, and $5,885,962 vs. $5,595,874 during the first nine months of fiscal 1996 and 1995, respectively).

Citrus earnings increased during the third quarter of fiscal 1996 when compared to the same period last year ($3,631,342 vs. $1,471,206). Year to date earnings are also higher for this division ($5,928,722 vs. $3,426,727 during the nine months ended May 31, 1996 and May 31, 1995, respectively). The earnings improvement is due to an increase in the total boxes harvested coupled with improved market prices.

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

Sugarcane earnings approximated those of the same period a year ago for both the three months ended May 31, 1996 ($354,709 vs. $361,872 for May 31, 1996 and 1995, respectively) and for the nine months then ended ($1,565,156 vs. $1,632,340 in 1996 and 1995, respectively).

The Ranch Division reported a $1,665,349 loss during the third quarter of fiscal 1996, compared to a profit of $234,631 during the third quarter of fiscal 1995. Year to date the loss totaled $1,607,916 compared to a $536,807 profit during the same period a year ago. A decrease in market prices for beef is the primary cause for the loss in this division. An adjustment totaling $845,330 was required in May 1996 to write the beef inventory down to its estimated net realizable value (lower of cost or market). Cattle sales revenues were significantly higher for both the quarter ($1,533,122 vs. $1,209,980 for the three months ended May 31, 1996 and 1995, respectively) and year to date ($3,263,385 vs. $2,150,968 for the nine months ended May 31, 1996 and 1995, respectively) due to increased sales of feedlot animals.

Historically, the Company has included its sod farming activities with ranching operations. Due to excessive rain and weed intrusion, the Company had to write off certain sod fields in May 1996. The writeoff included approximately $160,000 of remaining basis and $240,000 of inventoried costs, for a total loss of approximately $400,000.

Land preparation and construction 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.

During May of 1996, the Company agreed to sell 21,700 acres of land, in Hendry County, Florida, to the South Florida Water Management District for $11.5 million. The closing is expected to occur by October 1996. The Company may elect to use a portion of the sales value for a like kind property exchange. If a like kind property exchange occurs, the Company will not recognize revenues or profit for the portion of the property exchanged. If the property is sold, the Company will recognize revenue totalling $11.5 million and a pretax gain in excess of $11 million.

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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, 1996.

C. Exhibit 27 - Financial Data Schedule.

(b) Reports on Form 8-K.

None.

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 12, 1996 Date	W. Bernard Lester Exeuctive Vice President and Chief Operating Officer (Signature)
July 12, 1996 Date	L. Craig Simmons Vice President and Chief Financial Officer (Signature)
July 12, 1996 Date	Patrick W. Murphy Controller (Signature)

EXHIBIT A

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Stockholders and
Board of Directors
Alico, Inc:

We have reviewed the condensed consolidated balance sheet of Alico, Inc. and subsidiary as of May 31, 1996, and the related condensed consolidated statements of operations and retained earnings for the three-month and nine-month periods ended May 31, 1996 and 1995 and the related condensed consolidated statements of cash flows for the nine-month periods ended May 31, 1996 and May 31, 1995. 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 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 consolidated balance sheet from which it has been derived.

KPMG PEAT MARWICK LLP
(Signature)

Orlando, Florida
June 28, 1996

FORM 10-Q

ALICO, INC.

Computation of Weighted Average Shares Outstanding as of May 31, 1996:

Number of shares outstanding at August 31, 1995	7,027,827
Number of shares outstanding at May 31, 1996	7,027,827
Weighted Average 9/1/95 - 5/31/96	7,027,827

EXHIBIT B

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THIS SCEHDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
BALANCE SHEET OF ALICO, INC. AND SUBSIDIARY AS OF MAY 31, 1996 AND THE
RELATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS AND CASH FLOWS FOR
THE NINE MONTHS THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE
TO SUCH FINANCIAL STATEMENTS.
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