

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

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

For six months ended February 28, 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 No

There were 7,027,827 shares of common stock, par value \$1.00 per
 share, outstanding at April 12, 1995.

<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)

<S>	(Unaudited)		(Unaudited)	
	Three Months Ended February 28, 1995	February 28, 1994	Six Months Ended February 28, 1995	February 28, 1994
Revenue:	<C>	<C>	<C>	<C>
Citrus	\$ 6,802,818	\$ 9,661,645	\$10,250,285	\$11,076,322
Sugarcane	3,860,724	4,485,172	5,022,828	5,548,741
Ranch	329,568	575,803	940,988	1,954,031
Rock products and sand	213,200	250,760	490,688	504,918
Oil lease and land rentals	116,910	86,847	170,761	162,466
Forest products	25,320	20,818	53,942	50,970
Profit on sales of real estate	16,627	60,663	36,224	160,265
Interest and investment income	274,077	253,226	520,378	596,736
Other	17,367	14,272	46,383	45,091
Total revenue	11,656,611	15,409,206	17,532,477	20,099,540
Cost and expenses:				
Citrus production, harvesting and marketing	5,153,275	6,884,590	8,294,764	8,281,554
Sugarcane production and harvesting	2,960,007	3,336,014	3,752,360	4,206,743
Ranch	191,871	233,914	638,812	1,147,437
Real estate expenses	113,157	127,050	228,431	342,032
Interest	318,034	145,997	536,605	292,643
Other, general and administrative	536,821	623,227	1,058,905	1,191,450

Total costs and expenses	9,273,165	11,350,792	14,509,877	15,461,859
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ALICO, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
(See Accountants' Review Report)
(Continued)

FORM 10-Q

<S>	(Unaudited)		(Unaudited)	
	Three Months Ended February 28, 1995	February 28, 1994	Six Months Ended February 28, 1995	February 28, 1994
	<C>	<C>	<C>	<C>
Income before income taxes	2,383,446	4,058,414	3,022,600	4,637,681
Provision for income taxes	843,020	1,397,476	1,061,161	1,598,436
Net income	1,540,426	2,660,938	1,961,439	3,039,245
Retained earnings beginning of period	59,593,333	53,579,740	60,929,277	54,255,607
Dividends paid	-	-	(1,756,957)	(1,054,174)
Retained earnings end of period	\$61,133,759	\$56,240,678	\$61,133,759	\$56,240,678
Weighted average number of shares outstanding	7,027,827	7,027,827	7,027,827	7,027,827
Per share amounts:				
Net income	\$.22	\$.38	\$.28	\$.43
Dividends	\$ -	\$ -	\$.25	\$.15

<FN>

See accompanying notes to condensed consolidated financial statements.

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<CAPTION>

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

FORM 10-Q

<S>	(Unaudited)	(Audited)
	February 28, 1995	August 31, 1994
	<C>	<C>
ASSETS		
Current assets:		
Cash and cash investments	\$ 799,909	\$ 967,196
Marketable Securities	8,971,390	8,693,865
Accounts and mortgage notes receivable	8,609,005	7,618,943
Inventories	9,639,769	10,681,350
Prepaid expenses	189,563	189,120
Interest receivable	322,390	190,543
Total current assets	28,532,026	28,341,017
Mortgage notes receivable, non-current	2,803,227	3,131,465
Land held for development and sale	7,044,833	6,757,549
Investments	925,785	810,677
Other	43,620	40,470
Property, buildings and equipment	89,500,328	85,507,357
Less: Accumulated depreciation	(24,115,608)	(22,403,837)
Total assets	\$104,734,211	\$102,184,698

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

<S>	(Unaudited) February 28, 1995	(Audited) August 31, 1994
LIABILITIES	<C>	<C>
Current liabilities:		
Accounts payable	\$ 1,150,322	\$ 1,386,912
Due to profit sharing plan	-	248,594
Accrued donation (See Note 6)	2,009,351	2,103,051
Accrued expenses	434,400	1,297,862
Income taxes payable	460,505	56,303
Deferred income taxes	795,646	567,426
Note payable to bank, current portion	146,998	-
	<hr/>	<hr/>
Total current liabilities	4,997,222	5,660,148
Note payable to bank, long-term	22,000,000	18,713,998
Deferred income taxes	9,088,446	9,424,707
Deferred retirement benefits	486,957	428,741
	<hr/>	<hr/>
Total liabilities	36,572,625	34,227,594
STOCKHOLDERS' EQUITY		
Common stock	\$ 7,027,827	\$ 7,027,827
Retained earnings	61,133,759	60,929,277
	<hr/>	<hr/>
Total stockholders' equity	68,161,586	67,957,104
	<hr/>	<hr/>
Total liabilities and stockholders' equity	\$104,734,211	\$102,184,698
	<hr/> <hr/>	<hr/> <hr/>

<FN>

See Accompanying notes to condensed consolidated financial statements.

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FORM 10-Q

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

<S>	(Unaudited) Six Months Ended February 28, 1995 1994	
Cash flows from operating activities:	<C>	<C>
Net income	\$ 1,961,439	\$ 3,039,245
Adjustments to reconcile net income to cash provided from (used for) operating activities:		
Depreciation	2,049,189	1,816,446
Accrued donation	(93,700)	-
Net decrease in current assets and liabilities	(737,115)	(1,526,311)
Deferred income taxes	(108,041)	344,991
Other	(267,991)	(26,493)
	<hr/>	<hr/>
Net cash provided from operating activities	2,803,781	3,647,878
	<hr/>	<hr/>
Cash flows from (used for) investing activities:		
Purchases of property and equipment	(4,409,677)	(3,942,834)
Proceeds from sales of property and equipment	104,300	328,348
Purchases of marketable securities	(991,022)	(1,431,784)
Proceeds from sales of marketable securities	609,149	1,280,005
	<hr/>	<hr/>
Net cash used for investing activities	(4,687,250)	(3,766,265)
	<hr/> <hr/>	<hr/> <hr/>

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

(Continued)

(Unaudited)
Six Months Ended February 28,
1995 1994

<S>	<C>	<C>
Cash flows from (used for) financing activities:		
Notes receivable collections	40,139	83,207
Repayment of bank loan	(6,245,000)	(3,810,025)
Proceeds from bank loan	9,678,000	5,239,574
Dividends paid	(1,756,957)	(1,054,174)
	1,716,182	458,582
Net increase (decrease) in cash and cash investments	\$ (167,287)	\$ 340,195
Supplemental disclosures of cash flow information:		
Cash paid for interest, net of amount capitalized	\$ 445,318	\$ 294,947
Cash paid for income taxes	\$ 765,000	\$ 871,361

<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 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, 1994. 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 February 28, 1995 and August 31, 1994 and the consolidated results of operations and cash flows for the six months ended February 28, 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 \$1,770,146 in 1995 and \$1,663,549 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 is shown below:

February 28, 1995	August 31, 1994
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Unharvested fruit crop on trees	\$ 4,786,621	\$ 5,936,629
Unharvested sugarcane	862,741	2,160,025
Beef cattle	3,673,975	2,227,320
Sod	316,432	357,376
	<hr/>	<hr/>
Total inventories	\$ 9,639,769	\$10,681,350
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FORM 10-Q

4. Income taxes:

The provision for income taxes for the quarters ended February 28, 1995 and 1994 is summarized as follows:

	Three Months Ended February 28,		Six Months Ended February 28,	
	1995	1994	1995	1994
<S>	<C>	<C>	<C>	<C>
Current:				
Federal income tax	\$ 702,407	\$ 909,456	\$ 979,517	\$1,039,751
State income tax	135,545	181,572	164,411	213,456
	<hr/>	<hr/>	<hr/>	<hr/>
	837,952	1,091,028	1,143,928	1,253,207
Deferred:				
Federal income tax	11,328	218,573	(71,628)	251,686
State income tax	(6,260)	87,875	(11,139)	93,543
	<hr/>	<hr/>	<hr/>	<hr/>
	5,068	306,448	(82,767)	345,229
Total provision for income taxes	\$ 843,020	\$1,397,476	\$1,061,161	\$1,598,436
	<hr/>	<hr/>	<hr/>	<hr/>

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 February 28, 1995 and 1994:

	Three Months Ended February 28,		Six Months Ended February 28,	
	1995	1994	1995	1994
<S>	<C>	<C>	<C>	<C>
Expected income Tax	\$ 810,372	\$1,379,861	\$1,027,864	\$1,576,812
Increase (decrease) resulting from:				
State income taxes, net of federal benefit	86,519	147,318	109,720	168,345
Nontaxable interest and dividends	(50,552)	(45,392)	(100,158)	(101,648)
Other reconciling items, net	(3,319)	(84,311)	23,915	(45,073)
	<hr/>	<hr/>	<hr/>	<hr/>
Total provision for income taxes	\$ 843,020	\$1,397,476	\$1,061,161	\$1,598,436
	<hr/>	<hr/>	<hr/>	<hr/>

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 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. Management intends to vigorously oppose the proposed adjustments and is of the opinion that the ultimate outcome will not have a significant adverse effect on the financial position or operations of the Company.

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 February 28, 1995 and August 31, 1994 was \$22,000,000 and \$18,713,998, respectively.

Interest cost expensed and capitalized during the six months ended February 28, 1995 and February 28, 1994 was as follows:

	1995	1994
Interest expensed	\$536,605	\$292,643
Interest capitalized	241,181	146,662
Total interest cost	\$777,786	\$439,305

6. Commitment:

The Company has 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. Amounts for academic chairs and planning activities were finalized during prior years and charged against earnings. The title to the land was transferred during May 1994, recorded as a contribution and charged against earnings. The commitment for road construction, totaling \$2.4 million, was accrued at May 31, 1994. The portion allocable to the university land was expensed as a donation while the remainder was capitalized.

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 \$23,534,804 at February 28, 1995, up from \$22,680,869 at August 31, 1994. As of February 28, 1995 the Company had cash and cash investments of \$799,909 compared to \$967,196 at August 31, 1994. Marketable securities increased from \$8,693,865 to \$8,971,390 during the same period. The ratio of current assets to current liabilities increased from 5.01 to 1 at August 31, 1994 to 5.71 to 1 at February 28, 1995. Total assets increased by \$2,549,513 from \$102,184,698 at August 31, 1994 to \$104,734,211 at February 28, 1995.

The working capital increase is primarily the result of the decrease in current liabilities (\$5,660,148 vs. \$4,997,222 at

August 31, 1994 and February 28, 1995, respectively). Ad valorem taxes (\$1,143,204) and the profit sharing plan contribution (\$248,594), accrued at August 31, 1994, were paid during the first quarter of fiscal 1995. Income taxes deferred and currently payable increased by \$632,422 and the amount currently payable under the financing agreement with the commercial bank increased to \$146,998 during the first six months of fiscal 1995.

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 \$2.9 million at February 28, 1995.

RESULTS OF OPERATIONS:

When compared to the same period a year ago, net income decreased \$1,120,512 and \$1,077,806 during the three and six months ended February 28, 1995, respectively. Income before income taxes decreased \$1,615,081 during the first six months and \$1,674,968 during the second quarter of fiscal 1995, when compared to the same periods a year ago. This was largely due to the decrease in earnings from agricultural activities (\$3,528,165 vs. \$4,943,360 during the first half of fiscal 1995 and 1994, respectively).

Citrus earnings decreased during the second quarter of fiscal 1995 when compared to the same period last year (\$1,649,543 vs. \$2,777,055). The number of boxes harvested as of February 28, 1995 approximated the February 1994 level. However, the average revenue per box has declined approximately 12% from the prior year, primarily due to a decrease in the average number of pound solids per box. This is also the primary factor in the year to date decline in earnings for this division (\$1,955,521 vs. \$2,794,768 during the six months ended February 28, 1995 and 1994, respectively).

FORM 10-Q

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

Sugarcane earnings decreased 5% during the first six months of fiscal 1995, compared to the same fiscal 1994 period (\$1,270,468 vs. \$1,341,998). The gross tons yielded by this year's crop were down 17% due to a 10% decrease in the number of producing acres. Product quality has improved, however, as the sugar yield percentage has increased 7%, generating a 14% increase in the gross profit per ton harvested, significantly offsetting the decreased production volume.

Ranch earnings decreased \$504,418 during the first six months of fiscal 1995 (\$302,176 vs. \$806,594), compared to the same period a year ago. An increase in the number of animals placed in feedlots has decreased the number of calves sold during the period. More calves have been placed on feed in an attempt to improve the gross profit per calf.

Construction of the new state university, on the land donated by the Company, has been somewhat delayed. The permits necessary for construction have been challenged by a local group in Fort Myers, Florida. However, efforts are underway to negotiate a settlement and a resolution appears eminent. Management is of the opinion that this matter will be favorably resolved and construction will begin before the end of 1995.

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 February 28, 1995.

(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)

April 13, 1995 Date	W. Bernard Lester Executive Vice President and Chief Operating Officer (Signature)
April 13, 1995 Date	L. Craig Simmons Vice President and Chief Financial Officer (Signature)
April 13, 1995 Date	Patrick W. Murphy 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 subsidiary as to February 28, 1995, and the related condensed consolidated statements of operations and retained earnings for the three-month and the six-month periods ended February 28, 1995 and 1994, and the related condensed consolidated statements of cash flows for the six-month periods ended February 28, 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, 1994 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 16, 1994, 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, 1994, 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
April 4, 1995

FORM 10-Q

ALICO, INC.

Computation of Weighted Average Shares Outstanding as of February 28, 1995:

Number of shares outstanding at August 31, 1994	7,027,827
	<u> </u>
	<u> </u>
Number of shares outstanding at February 28, 1995	7,027,827
	<u> </u>
	<u> </u>
Weighted Average 9/1/94 - 2/28/95	7,027,827
	<u> </u>
	<u> </u>

EXHIBIT B

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