

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

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

For the fiscal year ended August 31, 1997.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

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 or organization)

(I.R.S. Employer
Identification No.)

P. O. Box 338, La Belle, Florida

33975

(Address of principal executive offices)

(Zip Code)

(941) 675-2966

Registrant's telephone number, including area code _____

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Name of each exchange on which registered
---------------------	--

None

None

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

COMMON CAPITAL STOCK, \$1.00 Par value, Non-cumulative

(Title of Class)

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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 such registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

As of October 20, 1997 there were 7,027,827 shares of stock outstanding and the aggregate market value (based upon the average bid and asked price, as quoted on NASDAQ) of the common stock held by nonaffiliates was approximately \$83,851,165.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Annual Report and Proxy Statement dated November 10, 1997 are incorporated by reference in Parts II and III, respectively.

PART I

Item 1. Business.

Alico, Inc. (the "Company") is generally recognized as an agribusiness company operating in Central and Southwest Florida. The Company's primary asset is 142,709 acres of land located in Collier, Hendry, Lee and Polk Counties. (See table on Page 5 for location and acreage by current primary use.) The Company is involved in various operations and activities including citrus fruit production, cattle ranching, sugarcane and sod production, and forestry. The Company also leases land for farming, cattle grazing, recreation, and oil exploration.

The Company's land is managed for multiple use wherever possible. Cattle ranching, forestry and land leased for farming, grazing, recreation and oil exploration, in some instances, utilize the same acreage.

Agricultural operations have combined to produce from 68 to 91 percent of annual revenues during the past five years. Citrus groves generate the most gross revenue. Sugarcane ranks second in revenue production. While the cattle ranching operation utilizes the largest acreage, it ranks third in the production of revenue. Approximately 10,006 acres of the Company's property are classified as timberlands, however, the area in which these lands are located is not highly rated for timber production. These lands are also utilized as native range, in the ranching operation, and leased out for recreation and oil exploration.

Diversification of the Company's agricultural base was initiated with the development of a Sugarcane Division at the end of the 1988 fiscal year. The 5,042 acres in production during the 1997 fiscal year consisted of 995 acres planted in the fall of 1992, 993 acres planted in 1993, 1558 acres planted in 1994, and 1,496 acres planted in 1995.

The Company continued to expand agriculture activities during the 1997 fiscal year, continuing development of a farm leasing project.

Leasing of lands for rock mining and oil and mineral exploration, rental of land for grazing, farming, recreation and other uses, while not classified as agricultural operations, are important components of the Company's land utilization and operation. Gross revenue from these activities during the past five years has ranged from 3 to 5 percent of total revenue.

The Company is not in the land sales and development business, except through its wholly owned subsidiary, Saddlebag Lake Resorts, Inc.; however, it does from time to time sell properties which, in the judgment of management, are surplus to the Company's primary operations. Gross revenue from land sales during the past five years has ranged from 1 to 24 percent of total revenues.

For further discussion of the relative importance of the various segments of the Company's operations, including financial information regarding revenues, operating profits (losses) and assets attributable to each major segment of the Company's business, see Note 11 of Notes to Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" incorporated in this document.

Subsidiary Operations

The Company's wholly owned subsidiary, Saddlebag Lake Resorts, Inc. (the "Subsidiary"), is only active in the subdividing, development and sale of real estate. The financial results of the operation of this subsidiary are consolidated with those of the Company. (See Note 1 of Notes to Financial Statements.)

Contributions by the Subsidiary to the net income of the Company, during the past five years, have ranged from 0 to 1 percent. The Subsidiary has two subdivisions near Frostproof, Florida which have been developed and are on the market. Approximately 74% of the lots have been sold.

Citrus

Approximately 8,358 acres of citrus were harvested during the 1997 season. Since 1983 the Company has maintained a marketing contract covering the majority of the Company's citrus crop with Ben Hill Griffin, Inc., a Florida corporation and major shareholder. The agreement provides for modifications to meet changing market conditions and provides that either party may terminate the contract by giving notice prior to August 1st, preceding the fruit season immediately following. Under the terms of the contract the Company's fruit is packed and/or processed and sold along with fruit from other growers, including Ben Hill Griffin, Inc. The proceeds are distributed on a pro rata basis as the finished product is sold. During the year ended August 31, 1997, approximately 89% of the Company's fruit crop was marketed under this agreement, as compared to 88% in 1995/96. The Company expects that the majority of the 1997/98 crop will be marketed under the same terms. In addition, Ben Hill Griffin, Inc. provides harvesting services to the Company for citrus sold to unrelated processors. These sales accounted for the remaining 11% of total citrus revenue for the year.

Ranch

The Company has a cattle operation located in Hendry and Collier Counties, Florida which is engaged primarily in the production of beef cattle and the raising of replacement heifers. The breeding herd consists of approximately 16,500 cows, bulls and replacement heifers. Approximately 45% of the herd are from one to five years old, while the remaining 55% are six and older. The Company primarily sells to packing and processing plants. The Company also sells cattle through local livestock auction markets and to contract cattle buyers. These buyers provide ready markets for the Company's cattle. The loss of any one or a few of these plants and/or buyers would not, in management's view, have a material adverse effect on the Company's cattle operation. Subject to prevailing market conditions, the Company may hedge up to 50% of its beef inventory by entering into cattle futures contracts to reduce exposure to changes in market prices.

Sugarcane

The Company had 5,042 acres and 5,023 acres of sugarcane in production during the 1996/97 and 1995/96 fiscal year, respectively. The 1996/97 and 1995/96 crops yielded approximately 158,000 and 187,000 gross tons, respectively.

Forest Products

Approximately 7% of the Company's properties are classified as timberlands. The principal forest products sold by the Company are pulpwood and sabal palms. These products are sold to a paper company and various landscaping companies, respectively. The Company does not incur any of the harvesting

expenses.

Part of the lands, from which the timber was removed, is being converted to semi-improved pasture and other uses.

Land Rental for Grazing, Agricultural and Other Uses

The Company rents lands to others for grazing, farming and recreational uses, on a tenant-at-will basis, for an annual fee. The income is not significant when compared to overall gross income, however, it does help to offset the expense of carrying these properties until they are put to a more profitable use. The Company has developed additional land to lease for farming.

There were no significant changes in the method of rental for these purposes during the past fiscal year.

Leases for Oil and Mineral Exploration

The Company has leased subsurface rights to a portion of its properties for the purpose of oil and mineral exploration. Currently, there are two leases in effect.

Twenty-four wells have been drilled during the years that the Company has been leasing subsurface rights to oil companies. The drilling has resulted in twenty-one dry holes, one marginal producer, which has been abandoned, and two average producers, still producing.

Mining Operations: Rock and Sand

The Company leases 7,927 acres in Lee County, Florida to Florida Rock Industries, Inc. of Jacksonville, Florida for mining and production of rock, aggregate, sand, baserock and other road building and construction materials.

Royalties which the company receives for these products are based on a percentage of the f.o.b. plant sales price.

Competition

As indicated, the Company is primarily engaged in a limited number of agricultural activities, all of which are highly competitive. For instance, citrus is grown in several states, the most notable of which are: Florida, California, Arizona and Texas. In addition, citrus and sugarcane products are imported from some foreign countries. Beef cattle are produced throughout the United States and domestic beef sales must also compete with sales of imported beef. Additionally, forest and rock products are produced in most parts of the United States. Leasing of land for oil exploration is also widespread.

The Company's share of the market for citrus, cattle and forest products in the United States is insignificant.

Environmental Regulations

The Company's operation is subject to various federal, state and local laws regulating the discharge of materials into the environment. The Company is in substantial compliance with all such rules and such compliance has not had a material effect upon capital expenditures, earnings or the competitive position of the Company.

While compliance with environmental regulations has not had a material economic effect on the Company's operations, executive officers are required to spend a considerable amount of time keeping current on these matters. In addition, there are ongoing costs incurred in complying with the permitting and reporting requirements.

Employees

At the end of August 1997 the Company had a total of 124 full-time employees classified as follows: Citrus 59; Ranch 12; Sugarcane 9; Facilities Maintenance Support 28; General and Administrative 16. There are no employees engaged in the development of new products or research.

Seasonal Nature of Business

As with any agribusiness enterprise, the Company's business operations are predominantly seasonal in nature. The harvest and sale of citrus fruit generally occurs from October to June. Sugarcane is harvested during the first, second and third quarters. Other segments of the Company's business such as its cattle and sod sales, and its timber, mining and leasing operations, tend to be more successive than seasonal in nature.

Item 2. Properties.

At August 31, 1997, the Company owned a total of 142,709 acres of land located in four counties in Florida. Acreage in each county and the primary classification with respect to present use of these properties is shown in the following table:

<TABLE>
<CAPTION>

ACREAGE BY CURRENT PRIMARY USE

<S>

County	Timber Land	Native Pasture	Improved Pasture	Sod	Citrus Land	Sugar-cane	Agri-culture	Other	Total
Polk	550	8,848	447	--	3,148	--	--	4	12,997
Lee	3,731	1,088	--	--	--	--	1,460	3,635	9,914
Hendry	3,823	57,621	25,381	220	2,299	7,300	8,186	3,629	108,459
Collier	1,902	1,951	1,112	--	4,041	--	--	2,333	11,339
Totals	10,006	69,508	26,940	220	9,488	7,300	9,646	9,601	142,709

</TABLE>

Of the above lands, the Company utilizes 26,493 acres of improved pasture plus approximately 56,000 acres of native pasture for cattle production and 7,927 acres are leased for rock mining operations. Much of the land is also leased for multi-purpose use such as cattle grazing, oil exploration, agriculture and recreation.

In addition to the land shown in the above table, the Company owns full subsurface rights to 1,064 acres and fractional subsurface rights to 18,882 acres.

From the inception of the Company's initial development program in 1948, the goal has been to develop the lands for the most profitable use. Prior to implementation of the development program, detailed studies were made of the properties focusing on soil capabilities, topography, transportation, availability of markets and the climatic characteristics of each of the tracts. Based on these and later studies, the use of each tract was determined. It is the opinion of Management that the lands are suitable for agricultural, residential and commercial uses. However, since the Company is primarily engaged in agricultural activities, some of the lands are considered surplus to its needs for this purpose and, as indicated under Item 1 of this report, sales of real property are made from time to time.

Management believes that each of the major programs is adequately supported by agricultural equipment, buildings, fences, irrigation systems and other amenities required for the operation of the projects.

In October 1992 the Company entered into a contract, with the Board of Regents of the State of Florida, committing to a donation of 975 acres of land and other items, in connection with a new state university. In addition to the contribution of land, the following items and amounts were also committed: design and planning - \$200,000; academic chairs - \$1,200,000; road construction - \$2,400,000.

Governmental approvals have been obtained to develop approximately 2,500 acres surrounding the University site. However, the development schedule of the University is subject to the appropriation of funds by the legislature. The University opened in August 1997.

Item 3. Legal Proceedings.

There are no pending legal proceedings involving the Company.

Item 4. Submission of Matters to a Vote of Security Holders.

There were no matters submitted to a vote of security holders during the 1997 fiscal year.

Executive Officers of the Company

Pursuant to General Instruction G(3) of Form 10-K, the following list is included as an unnumbered Item in Part I of this report in lieu of being included in the Proxy Statement for the Annual Meeting of Stockholders to be held on December 2, 1997.

Election of Executive Officer is held each year at the Annual Meeting of the Board of Directors following the Annual Meeting of the Stockholders.

Name	Title	Age
Ben Hill Griffin, III	Chairman of the Board (since March 1990), President and Chief Executive Officer (since January 1988) and Director (since March 1973)	55
W. Bernard Lester	Executive Vice President and Chief Operating Officer (since January 1988) and Director (since 1987), prior to July 1, 1986 was Executive Director of Florida Department of Citrus for over five years	58
L. Craig Simmons	Vice President (effective February, 1995), Treasurer and Chief Financial Officer (effective September 1, 1992), prior thereto was Controller (from January 1 to August 31, 1992) and Assistant Comptroller (from January 1 to December 31, 1991), prior to September 1990 was Controller of Farm/Citrus Division, Collier Enterprises, Agribusiness Group	45

Based solely upon a review of Forms 3 and 4 and amendments thereto furnished to the Company pursuant to Rule 16a-3(e) during the 1997 fiscal year and Forms 5 and amendments thereto furnished to the Company during fiscal year 1992 and certain written representations, if any, made to the Company, no officer, director or beneficial owners of 10% or more of the Company's common stock has failed to file on a timely basis any reports required by Section 16(a) of the Exchange Act to be filed during fiscal 1997.

PART II

Item 5. Market for the Registrant's Common Stock and Related Stockholder Matters.

Common Stock Prices

The common stock of Alico, Inc. is traded over-the-counter on the NASDAQ National Market System under the symbol ALCO. The high and low sales prices, by fiscal quarter, during the years ended August 31, 1997 and 1996 are presented below:

<TABLE>
<CAPTION>

	1997		1996	
	High Bid Price	Low Bid Price	High Bid Price	Low Bid Price
First Quarter	22 1/4	19 1/4	22 1/4	17
Second Quarter	21 1/4	18	26 1/2	21 3/4
Third Quarter	20 1/2	17 5/8	25 1/2	20 11/16
Fourth Quarter	25 1/4	18 1/2	22 3/4	17 1/4

Approximate Number of Holders of Common Stock

As of October 20, 1997 there were approximately 928 holders of record of Alico, Inc. Common Stock.

Dividend Information

Only year-end dividends have been paid, and during the last three fiscal years were as follows:

Record Date	Payment Date	Amount Paid Per Share
October 21, 1994	November 10, 1994	\$.25
October 20, 1995	November 10, 1995	\$.35
October 25, 1996	November 8, 1996	\$.15

Dividends are paid at the discretion of the Company's Board of Directors. The Company foresees no change in its ability to pay annual dividends in the immediate future; nevertheless, there is no assurance that dividends will be paid in the future since they are dependent upon earnings, the financial condition of the Company, and other factors.

Item 6. Selected Financial Data.

<TABLE>
<CAPTION>

<S> DESCRIPTION	Years Ended August 31,				
	1997	1996	1995	1994	1993
	(In Thousands Except Per Share Amounts)				
	<C>	<C>	<C>	<C>	<C>
Revenues	\$ 47,433	\$ 36,089	\$ 39,571	\$ 38,502	\$ 28,563
Costs and Expenses	29,583	29,269	25,105	26,799	24,103
Income Taxes	6,677	2,381	5,525	3,975	1,503
Cumulative Effect of Accounting Change	-	-	-	-	2,337
Net Income	11,173	4,439	8,941	7,728	5,294
Average Number of Shares Outstanding	7,028	7,028	7,028	7,028	7,028
Net Income per Share	1.59	.63	1.27	1.10	.75
Cash Dividend Paid per Share	.15	.35	.25	.15	.15
Current Assets	37,887	34,877	31,736	28,341	23,597
Total Assets	117,723	114,504	109,007	102,185	90,516
Current Liabilities	4,988	5,115	5,656	5,660	2,936
Ratio-Current Assets to Current Liabilities	7.59:1	6.82:1	5.61:1	5.01:1	8.04:1
Working Capital	32,899	29,762	26,080	22,680	20,661
Long-Term Obligations	24,582	32,006	27,945	28,568	26,296
Total Liabilities	29,570	37,121	33,601	34,228	29,232
Stockholders' Equity	88,153	77,383	75,406	67,957	61,283

</TABLE>

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion focuses on the results of operations and the financial condition of Alico.

This section should be read in conjunction with the consolidated financial statements and notes.

Liquidity and Capital Resources

The Company had cash and marketable securities of \$12.9 million at August 31, 1997 compared with \$11.1 million at August 31, 1996. Working capital also increased, from \$29.8 million at August 31, 1996 to \$32.9 million at August 31, 1997. An increase in the number of animals, resulting from the Company's policy of placing cattle into feedlots, has caused the beef inventory to rise and is the primary reason for the increase in working capital.

A large real estate sale (\$11.5 million gross sales price) to the State of Florida was closed in the second quarter of fiscal 1997. Proceeds from the sale were used to reduce the note payable and pay income taxes.

Cash outlay for land, equipment, building, and other improvements totaled \$5.8 million, compared to \$7.1 million during August 31, 1997 and 1996, respectively. Major expenditures included capitalized maintenance costs for young citrus groves. Land excavation for farm leasing also continued, as did expenditures for replacement equipment and sugarcane capital maintenance. Development is now complete on citrus groves. Capital projects are currently expected to decline during the next fiscal year.

Management believes that the Company will be able to meet its working capital requirements, for the foreseeable future, with internally generated funds. In addition, the Company has unused credit commitments which provided for revolving credit of up to \$30 million of which \$17.1 million was available for the Company's general use at August 31, 1997 (see note 6 of consolidated financial statements).

Results of Operations

Summary of results (in thousands):

<TABLE>
<CAPTION>

<S>	Years Ended August 31,		
	1997	1996	1995
	<C>	<C>	<C>
Operating revenue	\$34,543	\$34,505	\$30,547
Gross profit	5,886	6,720	7,059
Profit on sale of real estate	11,271	57	7,585
Interest and investment income	1,137	1,033	998
Interest expense	444	990	1,176
Provision for income taxes	6,677	2,381	5,525
Effective income tax rate	37.4%	34.9%	38.2%
Net income	11,173	4,439	8,941

</TABLE>

Operating Revenue

Operating revenues for fiscal 1997 approximated those of fiscal 1996. Decreases in citrus and sugarcane sales were offset by increased cattle and rock sales, and increased land rentals.

Operating revenues for fiscal 1996 increased 13% over fiscal 1995, primarily the result of increased citrus and ranch sales revenues.

Gross Profit

Gross profit during fiscal 1997 declined by 12% from fiscal 1996. The decrease was primarily due to lower market prices for citrus products and decreased sugarcane production.

Gross profit during fiscal 1996 decreased 5% from fiscal 1995. While gross profit from agriculture during the year approximated the prior year, the decline was due to increases in general and administrative expenses and allocated costs.

Profit on Sale of Real Estate

Profit from the sale of real estate increased to \$11.27 million during fiscal 1997, as compared to \$57 thousand during fiscal 1996. Sales during 1997 included the sale of approximately 21,700 acres of land in Hendry and Collier Counties, Florida, to the State of Florida for \$11.5 million, the pretax gain from which was \$11.1 million, and several smaller sales in Lee, Collier and Polk Counties.

Profit from the sale of real estate declined to \$57 thousand during fiscal 1996, compared to \$7.6 million during fiscal 1995. Sales were minimal, compared to 1995, which included a large sale in Polk County.

Interest and Investment Income

Interest and investment income is generated principally from investments in marketable equity securities, corporate and municipal bonds, mutual funds, U.S. Treasury securities and mortgages held on real estate sold on the installment basis. Investment earnings were reinvested throughout fiscal 1997 and 1996, increasing investment levels during each year. The rise in fiscal 1997 net interest and investment income resulted from higher investment levels and favorable market conditions.

The rise in fiscal 1996 net interest and investment income resulted from higher investment levels.

Interest Expense

Interest expense decreased 56% during fiscal 1997 due primarily to a large reduction in total long-term debt, likewise, total interest cost, which includes capitalized interest and is discussed in Note 6, decreased 37%.

During fiscal year 1996, interest expense decreased 16% and total interest cost decreased 3% compared to fiscal year 1995, due to lower interest rates.

Provision for Income Taxes

The effective tax rate increased to 37.4% during fiscal year 1997, from 34.9% during fiscal year 1996. Higher taxable income levels during fiscal 1997 decreased the percentage impact of certain tax exempt investment income.

Individual Operating Divisions

Gross profit for the individual operating divisions, for fiscal 1997, 1996 and 1995, is presented in the following schedule and is discussed in subsequent sections:

<TABLE>
<CAPTION>

	Years Ended August 31,		
	1997	1996	1995
	(in thousands)		
<S>	<C>	<C>	<C>
CI TRUS			
Revenues:			
Sales	\$22,287	\$22,966	\$19,674
Less harvesting & marketing	8,210	6,948	6,569
Net Sales	14,077	16,018	13,105
Cost and Expenses:			
Direct production**	6,875	5,964	5,488
Allocated cost*	2,352	2,470	2,205

Total	9,227	8,434	7,693
Gross profit, citrus	4,850	7,584	5,412
SUGARCANE			
Revenues:			
Sales	4,967	5,851	6,026
Less harvesting & hauling	1,120	1,237	1,294
Net Sales	3,847	4,614	4,732
Costs and expenses:			
Direct production	1,826	1,758	1,681
Allocated cost*	1,190	1,152	1,291
Total	3,016	2,910	2,972
Gross profit, sugarcane	831	1,704	1,760

Individual Operating Divisions (Continued)

	Years Ended August 31, (in thousands)		
	1997	1996	1995
<S>	<C>	<C>	<C>
RANCH			
Revenues:			
Sales	4,876	3,796	2,952
Costs and expenses:			
Direct production	3,165	3,890	1,438
Allocated cost*	946	1,539	1,008
Total	4,111	5,429	2,446
Gross profit (loss), ranch	765	(1,633)	506
Total gross profit, agriculture	6,446	7,655	7,678
OTHER OPERATIONS			
Revenues:			
Rock products and sand	1,258	935	956
Oil leases and land rentals	831	679	678
Forest products	224	197	146
Other	100	80	116
Total	2,413	1,891	1,896
Costs and expenses:			
Allocated Cost*	481	456	384
General and administrative, all operations	2,492	2,370	2,131
Total	2,973	2,826	2,515
Gross loss, other operations	(560)	(935)	(619)
Total gross profit	5,886	6,720	7,059

	Years Ended August 31, (in thousands)		
	1997	1996	1995
<S>	<C>	<C>	<C>
INTEREST & DIVIDENDS			

Tangerines	-	80	-	-	45	-	-	-	94	-	219
Midsweet											
Oranges	-	54	110	-	-	-	-	-	-	-	164
Late:											
Valencia											
Oranges	-	826	310	557	329	800	-	35	165	1,225	4,247
Totals:	-	1,346	693	775	752	1,514	-	265	740	3,403	9,488

</TABLE>

Sugarcane

Gross profit for fiscal 1997 was \$831 thousand compared to \$1.7 million in fiscal 1996 and \$1.8 million in fiscal 1995.

Sales revenues from sugarcane decreased 15% during fiscal 1997, compared to fiscal 1996 (\$4.9 million vs. \$5.9 million, respectively). During the same period, direct production and allocated costs increased by 4% (\$3.0 million in fiscal 1997 vs. \$2.9 million in fiscal 1996).

Although the acres harvested during 1997 approximated fiscal 1996 levels (roughly 5 thousand acres each year), the number of gross tons harvested during fiscal 1997 was 15% below year ago levels (158 thousand gross tons harvested during 1997 vs. 187 thousand harvested during fiscal 1996). Poor weather conditions were the cause for the decrease in sugarcane production.

Sales revenues from sugarcane decreased 3% during fiscal 1996, compared to fiscal 1995 (\$5.9 million vs. \$6.0 million, respectively). Direct production and allocated costs also decreased 2% during the year (\$2.9 million vs. \$3.0 million, respectively).

The number of acres harvested and resulting yield for fiscal 1996 approximated fiscal 1995 levels, causing the relatively minor difference in operating results (5 thousand acres harvested yielded 187 thousand gross tons in fiscal 1996 vs. 5 thousand acres yielding 186 thousand gross tons during fiscal 1995).

Ranching

The gross profit (loss) from ranch operations for fiscal 1997, 1996 and 1995 was \$765 thousand, \$(1.6 million), and \$506 thousand, respectively.

Revenues from cattle sales increased 28% during fiscal 1997, compared to fiscal 1996 (\$4.9 million in fiscal 1997 vs. \$3.8 million in fiscal 1996). The number of animals sold during the year increased 26% over the prior year (9,095 animals sold in fiscal 1997 vs. 7,211 in fiscal 1996). The rise is due to increased sales of feeder cattle inventories during the year, combined with a significant improvement in market prices for beef.

Direct and allocated costs declined from their year ago levels (\$4.1 million in fiscal 1997 vs. \$5.4 million in fiscal 1996). Due to market conditions, the Company was required to write down its fiscal 1996 beef inventory to net realizable value. This adjustment totaled \$909 thousand. Additionally, in fiscal 1996, the Company wrote off \$400 thousand of sod costs. The charge was included in ranching costs. The sod write off was necessary because of excessive rain and subsequent weed intrusion.

The Company's cattle marketing activities include retention of calves in western feedlots, contract and auction sales, and risk management contracts.

Revenues from cattle sales increased 27% during fiscal 1996, compared to fiscal 1995 (\$3.8 million in fiscal 1996 vs. \$3.0 million in fiscal 1995). The number of animals sold increased 11% over the prior year (7,211 sold in fiscal 1996 vs. 6,482 in fiscal 1995); however, the average revenue per pound decreased 17% due to poor market conditions.

Additional costs to feed calves to maturity, increased by a grain shortage, caused direct and allocated costs to increase during fiscal 1996 when compared to fiscal 1995 (\$5.4 million vs. \$2.4 million during fiscal 1996 and 1995, respectively). The increased costs during fiscal 1996 also included a beef inventory write down and the write off of sod costs referred to above.

Other Operations

Revenues from oil royalties and land rentals were \$831 thousand for fiscal 1997 compared to \$679 thousand for fiscal 1996 and \$678 thousand for fiscal 1995. The rise during fiscal 1997 was primarily due to increased revenue as a result of the development of additional land for farming leases.

Returns from rock products and sand were \$1.2 million for fiscal 1997 compared to \$935 thousand and \$956 thousand for fiscal 1996 and 1995, respectively. The variations between each of the years is due to the overall economic situation

in the construction and road building industries. Rock and sand supplies are sufficient, and no major price changes have occurred over the past 3 years.

Profits from the sale of sabal palms, for landscaping purposes, during fiscal 1997 were \$169 thousand compared to \$197 thousand and \$146 thousand for fiscal years 1996 and 1995, respectively. Additionally, the Company received \$55 thousand from the sale of pulpwood during fiscal 1997. No such sales were made during fiscal 1996 or 1995.

Direct and allocated expenses charged to the "Other" operations category included general and administrative and other costs not charged directly to citrus, ranching, sugarcane or forestry. These expenses totaled \$3.0 million during fiscal 1997 compared to \$2.8 million during fiscal 1996 and \$2.5 million during fiscal 1995. The fiscal 1997 increase over 1996 was partially related to costs expended for maintenance of properties used in farm lease operations (\$82 thousand). The fiscal 1996 increase over 1995 was primarily attributable to increases in employee benefits (\$141 thousand), worker's compensation expense (\$38 thousand) and ad valorem taxes (\$82 thousand).

The Florida Gulf Coast University opened its doors in August 1997. The Company is continuing its marketing and permit activities for its land which surrounds the University site.

During November of 1996, the Company announced an agreement with Miromar Development, Inc. of Montreal, Canada to sell 550 acres of land surrounding the University site in Lee County for \$9.35 million. The contract calls for 25% of the purchase price to be paid at closing, with the balance payable over the next four years. If the sale closes, it will generate a pretax gain of approximately \$8.7 million.

Additionally, the Company announced an option agreement with REJ Group, Inc. The option agreement permits the acquisition of a minimum 150 acres and a maximum of 400 acres within the 2,300 acre university village. The potential pretax gain to Alico, if the option is exercised, would vary from \$8.5 million to \$24.5 million, depending on the time at which the option is exercised, and the total number of acres selected.

Item 8. Financial Statements and Supplementary Data.

Independent Auditors' Report

The Stockholders and Board of Directors
Alico, Inc.:

We have audited the consolidated balance sheets of Alico, Inc. and subsidiary as of August 31, 1997 and 1996, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended August 31, 1997. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Alico, Inc. and subsidiary at August 31, 1997 and 1996, and the results of their operations and cash flows for each of the years in the three-year period ended August 31, 1997, in conformity with generally accepted accounting principles.

KPMG PEAT MARWICK LLP
(Signature)

Orlando, Florida
October 10, 1997

<TABLE>
<CAPTION>

CONSOLIDATED BALANCE SHEETS

	August 31,	
	1997	1996
<S>		
ASSETS		
	<C>	<C>
Current assets:		
Cash, including time deposits and other cash investments of \$1,414,436 in 1997 and \$1,396,193 in 1996	\$ 1,459,765	\$ 1,428,059
Marketable equity securities available for sale, at estimated fair value in 1997 and in 1996 (note 2)	9,195,341	6,799,590
Other marketable securities available for sale, at estimated fair value in 1997 and in 1996 (note 2)	2,217,574	2,826,435
Accounts receivable (\$5,549,080 in 1997 and \$7,758,469 in 1996 due from affiliate) (note 9)	7,456,937	9,432,838
Mortgages and notes receivable, current portion (note 3)	901,112	867,145
Inventories (note 4)	16,387,128	13,284,527
Other current assets	269,463	238,038
	<hr/>	<hr/>
Total current assets	37,887,320	34,876,632
	<hr/>	<hr/>
Other assets:		
Land inventories	8,345,116	7,777,942
Mortgages and notes receivable, net of current portion (note 3)	588,860	1,531,947
Investments	955,779	1,016,526
	<hr/>	<hr/>
Total other assets	9,889,755	10,326,415
	<hr/>	<hr/>
Property, buildings and equipment (note 5)	96,709,440	97,029,453
Less accumulated depreciation	(26,763,790)	(27,728,927)
	<hr/>	<hr/>
Net property, buildings and equipment	69,945,650	69,300,526
	<hr/>	<hr/>
Total assets	\$117,722,725	\$114,503,573
	<hr/>	<hr/>

	August 31,	
	1997	1996
<S>		
LIABILITIES AND STOCKHOLDERS' EQUITY		
	<C>	<C>
Current liabilities:		
Accounts payable	\$ 1,158,012	\$ 1,070,092
Due to profit sharing plan (note 7)	230,545	223,152
Accrued ad valorem taxes	1,253,053	1,095,427
Accrued road commitment (note 10)	212,075	1,236,340
Accrued expenses	329,772	142,047
Income taxes payable	934,895	190,639
Deferred income taxes (note 8)	869,763	1,157,169
	<hr/>	<hr/>
Total current liabilities	4,988,115	5,114,866
	<hr/>	<hr/>
Notes payable to a banks (note 6)	12,856,000	20,630,000
Deferred income taxes (note 8)	11,712,806	11,291,936
Deferred retirement benefits (note 7)	13,259	84,117
	<hr/>	<hr/>
Total liabilities	29,570,180	37,120,919
	<hr/>	<hr/>
Stockholders' equity:		
Preferred stock, no par value. Authorized 1,000,000 shares; issued, none	-	-
Common stock, \$1 par value. Authorized 15,000,000 shares; issued and outstanding 7,027,827 in 1997 and 1996	7,027,827	7,027,827
Unrealized gains on marketable securities (note 2)	913,059	261,686
Retained earnings	80,211,659	70,093,141

Total stockholders' equity	88,152,545	77,382,654
Total liabilities and stockholders' equity	\$117,722,725	\$114,503,573

<FN>

See accompanying notes to consolidated financial statements.

</TABLE>

<TABLE>
<CAPTION>

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended August 31,		
	1997	1996	1995
<S>	<C>	<C>	<C>
Revenue:			
Citrus (note 9)	\$22,287,006	\$22,966,004	\$19,673,501
Sugarcane	4,966,837	5,850,764	6,025,745
Ranch	4,875,826	3,795,612	2,952,214
Forest products	224,090	196,906	146,196
Rock products and sand	1,257,665	934,992	955,461
Oil lease and land rentals	831,254	679,039	677,712
Profit on sales of real estate	11,753,199	550,578	8,026,209
Interest and investment income	1,136,928	1,033,124	998,185
Other income	99,872	81,817	115,760
Total revenue	47,432,677	36,088,836	39,570,983
Costs and expenses (including charges from affiliate) (note 9):			
Citrus production, harvesting and marketing	17,436,648	15,381,924	14,261,502
Sugarcane production, harvesting and hauling	4,136,302	4,147,284	4,265,976
Ranch	4,110,969	5,429,239	2,446,117
Real estate	481,870	494,281	441,535
Interest (note 6)	444,217	990,082	1,175,599
Other, general and administrative expenses	2,972,863	2,826,422	2,514,573
Total costs and expenses	29,582,869	29,269,232	25,105,302
Income before income taxes	17,849,808	6,819,604	14,465,681
Provision for income taxes (note 8)	6,677,116	2,380,414	5,524,311
Net Income	11,172,692	\$ 4,439,190	\$ 8,941,370
Weighted average number of shares outstanding	7,027,827	7,027,827	7,027,827
Per share amounts:			
Net income	\$ 1.59	\$.63	\$ 1.27
Dividends	.15	.35	.25

<FN>

See accompanying notes to consolidated financial statements.

</TABLE>

<TABLE>
<CAPTION>

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Preferred Stock	Common Stock Shares Issued	Common Stock Amount	Retained Earnings	Unrealized Gains On Securi- ties
<S>	<C>	<C>	<C>	<C>	<C>
Balances, August 31, 1994	\$ -	7,027,827	\$7,027,827	\$60,929,277	\$ -
Net income for the year ended August 31, 1995	-	-	-	8,941,370	-
Unrealized gains on					

securities	-	-	-	-	264,739
Dividends paid	-	-	-	(1,756,957)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balances, August 31, 1995	-	7,027,827	7,027,827	68,113,690	264,739
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net income for the year ended August 31, 1996	-	-	-	4,439,190	-
Unrealized losses on securities	-	-	-	-	(3,053)
Dividends paid	-	-	-	(2,459,739)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balances, August 31, 1996	-	7,027,827	7,027,827	70,093,141	261,686
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net income for the year ended August 31, 1997	-	-	-	11,172,692	-
Unrealized gains on securities	-	-	-	-	651,373
Dividends paid	-	-	-	(1,054,174)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balances, August 31, 1997	\$ -	7,027,827	\$7,027,827	\$80,211,659	\$913,059
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

<FN>

See accompanying notes to consolidated financial statements.

</TABLE>

<TABLE>

<CAPTION>

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended August 31,		
	1997	1996	1995
	<hr/>	<hr/>	<hr/>
<S>	<C>	<C>	<C>
Increase (Decrease) in Cash and Cash Investments:			
Cash flows from operating activities:			
Net Income	\$11,172,692	\$ 4,439,190	\$ 8,941,370
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	4,240,117	4,136,333	4,177,199
Gain on breeding herd sales	(526,266)	(255,277)	(185,422)
Deferred income tax expense, net	(259,533)	(607,302)	2,906,324
Deferred retirement benefits	(63,465)	(130,828)	(213,796)
Net gain on sale of marketable securities	(414,669)	(128,473)	(14,511)
Road commitment payments	(1,024,265)	(401,698)	(465,013)
Loss on sale of property and equipment	424,915	305,485	157,334
Gain on real estate sales	(11,957,753)	(379,734)	(8,011,703)
Increase in land inventories	(567,174)	(455,202)	(565,191)
Cash provided by (used for) changes in:			
Accounts receivable	1,975,901	(2,443,469)	(53,005)
Inventories	(2,845,384)	(227,391)	(2,375,786)
Other assets	(31,425)	94,118	14,758
Accounts payable and accrued expenses	433,271	126,145	(455,575)
Income taxes payable	744,256	(63,754)	198,090
	<hr/>	<hr/>	<hr/>
Net cash provided by operating activities	1,301,218	4,008,143	4,055,073
	<hr/>	<hr/>	<hr/>

	Years Ended August 31,		
	1997	1996	1995
<S>	<C>	<C>	<C>
Cash flows from investing activities:			
Purchases of property and equipment	(5,752,072)	(7,141,814)	(8,340,284)
Proceeds from disposals of property and equipment	608,658	364,398	233,813
Proceeds from sale of real estate	12,060,060	420,364	8,322,300
Purchases of other assets	(100,896)	(215,575)	(115,108)
Proceeds from the sale of other assets	161,643	124,834	-
Purchases of marketable securities	(4,694,859)	(3,848,245)	(1,900,519)
Proceeds from sales of marketable securities	4,367,008	3,756,639	1,622,586
Collection of mortgages and notes receivable	909,120	695,321	719,631
Net cash provided by (used for) investing activities	7,558,662	(5,844,078)	542,419
Cash flows from financing activities:			
Proceeds of bank loans	18,749,000	17,316,000	17,666,002
Repayment of loans	(26,523,000)	(12,741,000)	(20,325,000)
Dividends paid	(1,054,174)	(2,459,739)	(1,756,957)
Net cash provided by (used for) financing activities	(8,828,174)	2,115,261	(4,415,955)
Net increase in cash and cash investments	31,706	279,326	181,537
Cash and Cash investments:			
At beginning of year	1,428,059	1,148,733	967,196
At end of year	\$ 1,459,765	\$ 1,428,059	\$ 1,148,733
Supplemental disclosures of cash flow information:			
Cash paid for interest, net of amount capitalized	\$ 396,988	\$ 886,239	\$ 1,079,939
Cash paid for income taxes	\$ 6,183,310	\$ 3,186,861	\$ 2,419,600

<FN>

See accompanying notes to consolidated financial statements.

</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Years Ended August 31, 1997, 1996 and 1995

(1) Summary of Significant Accounting Policies

(a) Basis of Consolidated Financial Statement Presentation

The accompanying financial statements include the accounts of Alico, Inc. (the Company) and its wholly owned subsidiary, Saddlebag Lake Resorts, Inc. (Saddlebag), after elimination of all significant intercompany balances and transactions.

(b) Revenue Recognition

Income from sales of citrus under marketing pool agreements is recognized at the time the crop is harvested. The revenue is based on the Company's estimates of the amounts to be received as the sales of pooled products are completed. Fluctuation in the market prices for citrus fruit has caused the Company to recognize additional revenue from the prior year's crop totaling \$1,007,211, \$1,087,921, and \$1,770,146 during fiscal years 1997, 1996 and 1995, respectively.

(c) Real Estate

Real estate sales are recorded under the accrual method of accounting. Retail land sales are not recognized until payments received, including interest, aggregate 10 percent of the contract sales price for residential real estate or 20 percent for commercial real estate. Sales are discounted to yield the market rate of interest where the stated rate is less than the market rate. The recorded valuation discounts are realized as the balances due are collected. In the event of early liquidation, interest is recognized on the simple interest method.

Tangible assets that are purchased during the period to aid in the sale of the project as well as costs for services performed to obtain regulatory approval of the sales are capitalized as land and land improvements to the extent they are estimated to be recoverable from the sale of the property. Land and land improvement costs are allocated to individual parcels on a per lot basis which approximates the relative sales value method.

(1), Continued

The Company has entered into an agreement with a real estate consultant to assist in obtaining the necessary regulatory approvals for the development and marketing of a tract of raw land. The marketing costs under this agreement are being expensed as incurred. The costs incurred to obtain the necessary regulatory approvals are capitalized into land costs when paid. These costs will be expensed as cost of sales when the underlying real estate is sold.

(d) Marketable Securities Available for Sale

For the year ending August 31, 1995, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 115 "Accounting for Certain Investments in Debt and Equity Securities".

Marketable securities available for sale are carried at the aggregate estimated fair value of the portfolio. Aggregate net unrealized investment gains or losses are recorded net of related deferred taxes in a separate component of stockholders' equity until realized.

Fair value for debt and equity investments is based on quoted market prices at the reporting date for those or similar investments.

The cost of all marketable securities available for sale are determined on the specific identification method.

(e) Inventories

Beef cattle inventories are stated at the lower of cost or market. The cost of the beef cattle inventory is based on the accumulated cost of developing such animals for sale.

Unharvested crops are stated at the lower of cost or market. The cost for unharvested crops is based on accumulated production costs incurred during the eight month period from January 1 through August 31.

(f) Property, Buildings and Equipment

Property, buildings and equipment are stated at cost. Properties acquired from the Company's predecessor corporation in exchange for common stock issued in 1960, at the inception of the Company, are stated on the basis of cost to the predecessor corporation. Property acquired as part of a land exchange trust is valued at the carrying value of the property transferred to the trust.

The breeding herd consists of purchased animals and animals raised on the ranch. Purchased animals are stated at cost. The cost of animals raised on the ranch is based on the accumulated cost of developing such animals for productive use.

Depreciation for financial reporting purposes is computed on straight-line and accelerated methods over the estimated useful lives of the various classes of depreciable assets.

(g) Income Taxes

The Company accounts for income taxes under the asset and liability

method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(h) Earnings Per Share

Earnings per share has been computed by dividing net income by the weighted average number of common shares outstanding during the year.

(i) Cash Flows

For purposes of the cash flows, cash and cash investments include cash on hand and amounts due from banks with an original maturity of less than three months.

(j) Reclassifications

Certain amounts from 1996 and 1995 have been reclassified to conform to the 1997 presentation.

(k) Use of Estimates

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities. Actual results could differ significantly from those estimates. Although some variability is inherent in these estimates, management believes that the amounts provided are adequate.

(1) Financial Instruments and Accruals

The carrying amounts in the consolidated balance sheets for accounts receivable, accounts payable and accrued expenses approximate fair value, because of the immediate or short term maturity of these items. The carrying amounts reported for the Company's long-term debt approximate fair value, because the instrument is a variable rate note which reprices frequently.

(2) Marketable Securities Available for Sale

The Company has classified 100% of its investments in marketable securities as available-for-sale and, as such, the securities are carried at estimated fair value. Any unrealized gains and losses, net of related deferred taxes, are recorded as a net amount in a separate component of stockholders' equity until realized.

The amortized cost and estimated fair values of marketable securities available for sale at August 31, 1997 and 1996 (in thousands) were as follows:

<TABLE> <CAPTION>	1997				1996			
	Cost	Gross Unrealized Gains	Unrealized Losses	Estimated Market Value	Cost	Gross Unrealized Gains	Unrealized Losses	Estimated Market Value
<S> Equity securities	<C> \$7,793	<C> \$1,450	<C> \$48	<C> \$ 9,195	<C> \$6,486	<C> \$421	<C> \$107	<C> \$6,800
Debt securities	2,155	76	13	2,218	2,721	119	14	2,826
Marketable securities available for sale	\$9,948	\$1,526	\$61	\$11,413	\$9,207	\$540	\$121	\$9,626

At August 31, 1997, debt instruments (net of mutual funds of \$1,040,007) are collectible as follows: \$2,000 within one year, \$164,000 between one and five years, \$348,381 between five and ten years, and \$601,102 thereafter.

</TABLE>

(3) Notes Receivable

Notes receivable include mortgage and other notes receivable. Mortgage notes receivable arose principally from real estate sales. The balances (in thousands) at August 31, 1997 and 1996 are as follows:

<TABLE>

<CAPTION>

	1997	1996
<S>	<C>	<C>
Mortgage notes receivable on retail land sales, net	\$ 383	\$ 448
Mortgage notes receivable on bulk land sales	936	1,735
Other notes receivable	171	216
	-----	-----
Total mortgage notes receivable	1,490	2,399
Less current portion	901	867
	-----	-----
Non-current portion	\$ 589	\$1,532
	-----	-----

</TABLE>

At August 31, 1997, substantially all contracts and mortgages on retail land sales were collectible over periods ranging from 1 to 10 years with expected maturities as follows: \$45 thousand in 1998, \$68 thousand in 1999, \$59 thousand in 2000, \$53 thousand in 2001, \$50 thousand in 2002, and \$108 thousand thereafter.

At August 31, 1997, notes receivable, other than those from retail land sales, were collectible over periods ranging from 1 to 4 years with expected maturities as follows: \$856 thousand in 1998, \$178 thousand in 1999, \$8 thousand in 2000, and \$65 thousand in 2001.

(4) Inventories

A summary of the Company's inventories (in thousands) at August 31, 1997 and 1996 is shown below:

<TABLE>

<CAPTION>

	1997	1996
<S>	<C>	<C>
Unharvested fruit crop on trees	\$ 6,909	\$ 7,064
Unharvested sugarcane	2,322	2,231
Beef cattle	6,993	3,937
Sod	163	53
	-----	-----
Total inventories	\$16,387	\$13,285
	-----	-----

</TABLE>

Subject to prevailing market conditions, the Company may hedge up to 50% of its beef inventory by entering into cattle futures contracts to reduce exposure to changes in market prices. The Company has designated these agreements as a hedge and, therefore, any gains or losses anticipated under these agreements will be deferred, with the cost of the related cattle being adjusted when the contracts are settled.

(5) Property, Buildings and Equipment

A summary of the Company's property, buildings and equipment (in thousands) at August 31, 1997 and 1996 is shown below:

<TABLE>
<CAPTION>

	1997	1996	Estimated Use- ful Lives
<S>	<C>	<C>	<C>
Breeding herd	\$12,127	\$13,184	5-7 years
Buildings	2,973	3,038	5-40 years
Citrus trees	19,820	20,109	22-40 years
Sugarcane	2,768	2,651	4-15 years
Equipment and other facilities	24,477	24,624	3-40 years
	<hr/>	<hr/>	
Total depreciable properties	62,165	63,606	
Less accumulated depreciation	26,763	27,729	
	<hr/>	<hr/>	
Net depreciable properties	35,402	35,877	
Land and land improvements	34,544	33,424	
	<hr/>	<hr/>	
Net property, buildings and equipment	\$69,946	\$69,301	
	<hr/>	<hr/>	

</TABLE>

The Company's citrus trees, fruit crop, unharvested sugarcane and cattle are partially uninsured.

(6) Indebtedness

The Company has unsecured financing agreements with commercial banks that permit the Company to borrow up to \$3,000,000 which is due on demand and up to \$27,000,000 which is due in January 1999. Under these agreements, there was no current debt as of August 31, 1997 and 1996. The total amount of long-term debt under this agreement at August 31, 1997 and 1996 was \$12,856,000 and \$20,630,000 respectively.

Interest cost expensed and capitalized (in thousands) during the three years ended August 31, 1997, 1996 and 1995 was as follows:

<TABLE>
<CAPTION>

	1997	1996	1995
<S>	<C>	<C>	<C>
Interest expense	\$ 444	\$ 990	\$1,176
Interest capitalized	618	703	576
	<hr/>	<hr/>	<hr/>
Total interest cost	\$1,062	\$1,693	\$1,752
	<hr/>	<hr/>	<hr/>

</TABLE>

(7) Employee Benefit Plans

The Company has a profit sharing plan covering substantially all employees. The plan was established under Internal Revenue Code Section 401(k). Contributions made to the profit sharing plan were \$230,545, \$223,152 and \$217,968 for the years ended August 31, 1997, 1996 and 1995, respectively.

Certain officers and employees also have employment contracts for additional retirement benefits, the cost of which is accruable on a present value basis over the remaining term of the employment agreements. The lives of such officers and employees have been insured as a means of funding such additional benefits. The accrued pension liability for these additional retirement benefits at August 31, 1997 and 1996 was \$3,133 and \$56,088, respectively.

Additionally, the Company implemented a nonqualified defined benefit retirement plan covering the officers and other key management personnel of the Company. The plan is being funded by the purchase of insurance contracts. The accrued pension liability for the nonqualified defined benefit retirement plan at August 31, 1997 and 1996 was \$10,126 and \$28,029, respectively.

Pension expenses for the additional retirement benefits were approximately \$217,000, \$191,000 and \$167,000 for the years ended August 31, 1997, 1996 and 1995, respectively.

(8) Income Taxes

The provision for income taxes (in thousands) for the years ended August 31, 1997, 1996 and 1995 is summarized as follows:

<TABLE>
<CAPTION>

1997	1996	1995
<hr/>	<hr/>	<hr/>

<S>	<C>	<C>	<C>
Current:			
Federal income tax	\$5,919	\$1,974	\$1,980
State income tax	1,000	353	322
	<u>6,919</u>	<u>2,327</u>	<u>2,302</u>
Deferred:			
Federal income tax	(207)	48	2,911
State income tax	(35)	5	311
	<u>(242)</u>	<u>53</u>	<u>3,222</u>
Total provision for income taxes	<u>\$6,677</u>	<u>\$2,380</u>	<u>\$5,524</u>

</TABLE>

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 (in thousands) for the years ended August 31, 1997, 1996 and 1995:

<TABLE>

<CAPTION>

<S>	1997	1996	1995
<C>	<C>	<C>	<C>
Expected income tax	\$6,069	\$2,319	\$4,918
Increase (decrease) resulting from:			
State income taxes, net of federal benefit	648	248	525
Nontaxable interest and dividends	(120)	(174)	(180)
Other reconciling items, net	80	(13)	261
Total provision for income taxes	<u>\$6,677</u>	<u>\$2,380</u>	<u>\$5,524</u>

</TABLE>

(8), Continued

Some items of revenue and expense included in the statement of operations may not be currently taxable or deductible on the income tax returns. Therefore, income tax assets and liabilities are divided into a current portion, which is the amount attributable to the current year's tax return, and a deferred portion, which is the amount attributable to another year's tax return. The revenue and expense items not currently taxable or deductible are called temporary differences.

At August 31, 1997 the Company had an unused charitable contribution carryover totaling \$8,524,520. Management estimates that \$1,000,000 will be used to reduce taxable income over the next three years. As a result, the estimated unusable portion of the carryover has been set up as the valuation amount in the deferred tax asset schedule below. The contribution carryover expires in 2000.

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below (in thousands):

<TABLE>

<CAPTION>

<S>	1997	1996
<C>	<C>	<C>
Deferred Tax Assets:		
Contribution carryover	\$ (3,103)	\$ (3,851)
Less valuation allowance	<u>2,727</u>	<u>3,287</u>
Net contribution carryover	(376)	(564)
Beef cattle inventory	(131)	(136)
Pension	(84)	(116)
Prepaid sales commissions	(489)	-
Other	<u>(133)</u>	<u>(32)</u>
Total gross deferred tax assets	<u>(1,213)</u>	<u>(848)</u>

(8), Continued

	1997	1996
<S>	<C>	<C>
Deferred Tax Liabilities:		
Revenue recognized from citrus and sugarcane	432	999
Deferred revenues	3,011	3,134
Property and equipment (principally due to depreciation and soil and water deductions)	9,265	8,208
Mortgage notes receivable	348	643
Other	740	313
	-----	-----
Total gross deferred tax liabilities	13,796	13,297
	-----	-----
Net deferred income tax liabilities	\$12,583	\$12,449
	-----	-----

</TABLE>

The Company is currently under examination by the Internal Revenue Service for the years ended August 31, 1991, 1992, 1993 and 1994. When the examinations are resolved, any income taxes due will become currently payable. However, the majority of the proposed adjustments relate to the timing of certain income and expense items already provided for in the Company's deferred tax liability accounts.

Previously the Company had been under audit for the year ended August 31, 1990. A final settlement was reached in August of 1997. Payments totaling approximately \$1.4 million resulted in a refund due of approximately \$80 thousand. The items settled related to the timing of recognition of certain items previously expensed. The aforementioned payments increased interest expense by \$124,784 and \$263,000 during the fiscal years ended August 31, 1995 and 1996, respectively.

The adjustments proposed to date for the years ended August 31, 1991 and 1992 would potentially result in \$3.3 million of additional income tax payments. Management anticipates a settlement regarding these years to occur within the next twelve months. No adjustments have yet been proposed for the years ended August 31, 1993 and 1994.

(9) Related Party Transactions

Citrus

Citrus revenues of \$20,065,303, \$20,386,090 and \$17,398,420 were recognized for a portion of citrus crops sold under a marketing agreement with Ben Hill Griffin, Inc. (Griffin) for the years ended August 31, 1997, 1996 and 1995, respectively. Griffin is the owner of 49.71 percent of the Company's common stock. Accounts receivable, resulting from citrus sales, include amounts due from Griffin totaling \$5,549,080 and \$7,758,469 at August 31, 1997 and 1996, respectively. These amounts represent estimated revenues to be received periodically under pooling agreements as the sale of pooled products is completed.

Harvesting, marketing, and processing costs, related to the citrus sales noted above, totaled \$7,335,825, \$6,099,481, and \$5,732,506 for the years ended August 31, 1997, 1996 and 1995, respectively. In addition, Griffin provided the harvesting services for citrus sold to an unrelated processor. The aggregate cost of these services was \$779,715, \$767,144 and \$764,082 for the years ended August 31, 1997, 1996 and 1995, respectively. The accompanying balance sheets include accounts payable to Griffin for citrus production, harvesting and processing costs in the amount of \$383,614 and \$484,789 at August 31, 1997 and 1996, respectively.

Other Transactions

The Company purchased fertilizer and other miscellaneous supplies, services, and operating equipment from Griffin, on a competitive bid basis, for use in its cattle, sugarcane, sod and citrus operations. Such purchases totaled \$4,451,224, \$5,535,086 and \$4,190,784 during the years ended August 31, 1997, 1996 and 1995, respectively.

(10) 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.

(11) Business Segment Information

The Company is primarily engaged in agricultural operations, which are subject to risk including market prices, weather conditions and environmental concerns. The Company is also engaged in retail land sales and, from time to time, sells real estate considered surplus to its operating needs. Information about the Company's operations (in thousands) for the years ended August 31, 1997, 1996 and 1995 is summarized as follows:

<TABLE>
<CAPTION>

	1997	1996	1995
<S>			
Revenues:	<C>	<C>	<C>
Agriculture:			
Citrus	\$ 22,287	\$ 22,966	\$ 19,674
Sugarcane	4,967	5,851	6,026
Ranch	4,876	3,796	2,952
Total agriculture	32,130	32,613	28,652
Real estate	11,753	551	8,026
General corporate	3,550	2,925	2,893
Consolidated total	\$ 47,433	\$ 36,089	\$ 39,571
Operating income (loss):			
Agriculture:			
Citrus	\$ 4,850	\$ 7,584	\$ 5,412
Sugarcane	831	1,704	1,760
Ranch	765	(1,633)	506
Total agriculture	6,446	7,655	7,678
Real estate	11,271	56	7,585
General corporate	3,550	2,925	2,893
Total operating income	21,267	10,636	18,156
Interest expense	(444)	(990)	(1,176)
General corporate expenses	(2,973)	(2,826)	(2,514)
Income before income taxes	\$ 17,850	\$ 6,820	\$ 14,466

<CAPTION>

	1997	1996	1995
<S>			
Capital expenditures:	<C>	<C>	<C>
Agriculture:			
Citrus	\$ 1,829	\$ 2,734	\$ 4,301
Sugarcane	1,890	967	743
Ranch	1,159	2,786	2,189
Sod	39	54	78
Farm lands	340	365	155
Heavy equipment	91	89	574
Total agriculture	5,348	6,995	8,040
General corporate	404	147	300
Consolidated total	\$ 5,752	\$ 7,142	\$ 8,340

	1997	1996	1995
<CAPTION>			

<S>	<C>	<C>	<C>
Depreciation, depletion and amortization:			
Agriculture:			
Citrus	\$ 1,818	\$ 1,706	\$ 1,731
Sugarcane	909	925	937
Ranch	1,101	1,040	1,035
Sod	17	49	81
Farm lands	19	11	5
Heavy equipment	306	311	295
	<hr/>	<hr/>	<hr/>
Total agriculture	4,170	4,042	4,084
General corporate	70	94	93
	<hr/>	<hr/>	<hr/>
Consolidated total	\$ 4,240	\$ 4,136	\$ 4,177
	<hr/>	<hr/>	<hr/>
Identifiable assets:			
Agriculture:			
Citrus	\$ 45,361	\$ 47,874	\$ 43,449
Sugarcane	23,746	22,846	22,154
Ranch	16,355	13,710	12,619
Sod	379	247	1,474
Farm lands	1,561	1,240	887
Heavy equipment	1,246	1,461	1,699
	<hr/>	<hr/>	<hr/>
Total agriculture	88,648	87,378	82,282
Real estate	9,835	10,177	10,417
General corporate	19,240	16,949	16,308
	<hr/>	<hr/>	<hr/>
Consolidated total	\$117,723	\$114,504	\$109,007
	<hr/>	<hr/>	<hr/>

</TABLE>

Identifiable assets represents assets on hand at year-end which are allocable to a particular segment either by their direct use or by allocation when used jointly by two or more segments. General corporate assets consist principally of cash, temporary investments, mortgage notes receivable and property and equipment used in general corporate business.

<TABLE>
<CAPTION>

SELECTED QUARTERLY FINANCIAL DATA
(UNAUDITED)

Summarized quarterly financial data (in thousands except for per share amounts) for the years ended August 31, 1997 and August 31, 1996, is as follows:

Quarters Ended

<S>	November 30,		Feb. 28,	Feb. 29,	May 31,		August 31,	
	1996	1995	1997	1996	1997	1996	1997	1996
<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenue:								
Citrus	\$ 2,093	\$ 4,170	\$ 9,826	\$ 7,133	\$ 8,527	\$ 8,721	\$ 1,841	\$ 2,942
Sugarcane	1,078	1,386	3,518	4,022	153	355	218	88
Ranch	838	1,535	1,661	196	1,741	1,533	636	532
Property sales	24	17	11,384	80	15	91	330	363
Interest	244	352	351	260	353	234	189	187
Other revenues	535	364	494	429	661	506	723	592
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue	4,812	7,824	27,234	12,120	11,450	11,440	3,937	4,704
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Costs and expenses:								
Citrus	1,789	3,375	8,596	5,631	5,916	5,090	1,136	1,286
Sugarcane	828	1,051	3,263	3,147	-	-	45	(51)
Ranch	566	1,529	1,344	144	1,642	3,198	559	558
Interest	249	136	60	173	73	487	62	194
Other	816	748	744	866	673	585	1,222	1,122
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total costs and expenses	4,248	6,839	14,007	9,961	8,304	9,360	3,024	3,109
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Income before income taxes	564	985	13,227	2,159	3,146	2,080	913	1,595
Provision for income taxes	182	338	4,970	759	1,154	857	371	426
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net income	\$ 382	\$ 647	\$ 8,257	\$ 1,400	\$ 1,992	\$ 1,223	\$ 542	\$ 1,169

Net income per share	\$.06	\$.09	\$ 1.17	\$.20	\$.28	\$.17	\$.08	\$.17

The weighted average number of shares outstanding totaled 7,027,827 shares during each of the periods presented above.

</TABLE>

Item 9. Disagreements on Accounting and Financial Disclosure.

There were no disagreements on accounting and financial disclosures.

PART III

Item 10. Directors and Executive Officers of the Registrant.

For information with respect to the executive officers of the registrant, see "Executive Officers of the Registrant" at the end of Part I of this report.

The information called for regarding directors is incorporated by reference to Proxy Statement dated November 10, 1997.

Item 11. Executive Compensation.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

Item 13. Certain Relationships and Related Transactions.

Information called for by Items 11, 12 and 13 is incorporated by reference to Proxy Statement dated November 10, 1997.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a)1. Financial Statements:

- Included in Part II, Item 8 of this Report
- Report of Independent Certified Public Accountants
- Consolidated Balance Sheets - August 31, 1997 and 1996
- Consolidated Statements of Operations - For the Years Ended August 31, 1997, 1996 and 1995
- Consolidated Statements of Stockholders' Equity - For the

Years Ended August 31, 1997, 1996 and 1995

Consolidated Statements of Cash Flows - For the Years Ended August 31, 1997, 1996 and 1995

(a)2. Financial Statement Schedules:

Selected Quarterly Financial Data - For the Years Ended August 31, 1997 and 1996 - Included in Part II, Item 8

Schedule I - Marketable Securities and Other Investments - For Year Ended August 31, 1997

Schedule V - Property, Plant and Equipment - For the Years Ended August 31, 1997, 1996 and 1995

Schedule VI - Reserves for Depreciation, Depletion and Amortization of Property, Plant and Equipment - For the Years Ended August 31, 1997, 1996 and 1995

Schedule IX - Supplementary Income Statement Information - For the Years Ended August 31, 1997, 1996 and 1995

All other schedules not listed above are not submitted because they are not applicable or not required or because the required information is included in the financial statements or notes thereto.

(a)3. Exhibits:

(3) Articles of Incorporation: *

- Schedule I - Restated Certificate of Incorporation, Dated February 17, 1972
- Schedule II - Certificate of Amendment to Certificate of Incorporation, Dated January 14, 1974
- Schedule III - Amendment to Articles of Incorporation, Dated January 14, 1987
- Schedule IV - Amendment to Articles of Incorporation, Dated December 27, 1988
- Schedule V - By-Laws of Alico, Inc., Amended to September 13, 1994

(4) Instruments Defining the Rights of Security Holders, Including Indentures - Not Applicable

(9) Voting Trust Agreement - Not Applicable

(10) Material Contracts - Citrus Processing and Marketing Agreement with Ben Hill Griffin, Inc., dated November 2, 1983, a Continuing Contract. *

(11) Statement - Computation of Per Share Earnings

(12) Statement - Computation of Ratios

(18) Change in Accounting Principal - Not Applicable

(19) Annual Report to Security Holders - By Reference

(21) Subsidiaries of the Registrant - Not Applicable

(22) Published Report Regarding Matters Submitted to Vote of Security Holders - Not Applicable

(23) Consents of Experts and Counsel - Not Applicable

(24) Power of Attorney - Not Applicable

(28) Information From Reports Furnished to State Insurance Regulatory Authorities - Not Applicable

(99) Additional Exhibits - None

(b)3. Reports on Form 8-K:

Form 8-K dated December 3, 1996 regarding re-election of Directors and election of Officers.

* Material has been filed with Securities and Exchange Commission and NASDAQ and may be obtained upon request.

<CAPTION>

ALICO, INC.

SCHEDULE I

Marketable Securities and Other Investments

August 31, 1997

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
Name of Issuer and Title of Each Issue	Number of Shares or Units-Principal Amounts of Bonds and Notes	Cost of Each Issue	Market Value of Each Issue at Balance Sheet Date	Amount of Which Each Portfolio of Equity Security Issues and Each Other Security Issue Carried in the Balance Sheet
<S>	<C>	<C>	<C>	<C>
Municipal Bonds	\$ 751,512	\$ 751,512	\$ 794,872	\$ 794,872
Mutual Funds	\$4,607,653	4,607,653	5,833,612	5,833,612
Preferred Stocks	106,900	2,728,319	2,794,879	2,794,879
Common Stocks	35,778	1,282,737	1,416,313	1,416,313
Other Investments	\$ 578,591	578,591	573,239	573,239
Total:		\$9,948,812	\$11,412,915	\$11,412,915

</TABLE>

<TABLE>
<CAPTION>

ALICO, INC.

SCHEDULE V

PROPERTY, PLANT AND EQUIPMENT

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Description	Balance Beginning of Period	Additions at Cost	Retirements or Sales	Other Changes Debit and/or Credit-Describe	Balance at Close of Period
For Year Ended August 31, 1997					
<C>	<C>	<C>	<C>	<C>	<C>
Land	\$14,504,916	\$ 334,165	\$ 470,119	\$	\$14,368,962
Roads	745,525	207,656			953,181
Agricultural Land Preparation	9,906				9,906
Forest Improvements	100,026				100,026
Pasture Improvements	2,801,321	155,453			2,956,774
Buildings	3,037,575	6,007	70,096		2,973,486
Feeding and Watering Facilities for Cattle Herd	36,067		1,900		34,167
Water Control Facilities	871,337		866,000		5,337
Fences	270,133	34,484	12,420		292,197
Cattle Pens	134,955				134,955
Citrus Groves, Including Irrigation Systems	38,634,654	1,532,126	1,744,166		38,422,614
Equipment	6,999,963	563,979	283,365		7,280,577
Breeding Herd	13,184,291	935,625	1,993,227		12,126,689
Sugarcane-Land Preparation, Etc.	14,304,486	1,603,607	630,792		15,277,301
Sod-Land Preparation, Etc.	141,922	39,016			180,938

Farm Land Preparation	1,252,376	339,954			1,592,330
	<u>\$97,029,453</u>	<u>\$5,752,072</u>	<u>\$6,072,085</u>	<u>\$ 0</u>	<u>\$96,709,440</u>

</TABLE>

<TABLE>

<CAPTION>

ALICO, INC.

SCHEDULE V

PROPERTY, PLANT AND EQUIPMENT

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Description	Balance Beginning of Period	Additions at Cost	Retirements or Sales	Other Changes Debit and/or Credit-Describe	Balance at Close of Period
For the Year Ended August 31, 1996					
<C>	<C>	<C>	<C>	<C>	<C>
Land	\$14,409,797	\$ 133,396	\$ 38,277	\$	\$14,504,916
Roads	489,213	256,312			745,525
Agricultural Land Preparation	9,906				9,906
Forest Improvements	100,026				100,026
Pasture Improvements	2,363,419	434,194		3,708 *	2,801,321
Buildings	3,034,835	82,938	80,198		3,037,575
Feeding and Watering Facilities for Cattle Herd	36,486		419		36,067
Water Control Facilities	871,337				871,337
Fences	228,811	47,066	5,744		270,133
Cattle Pens	155,219		20,264		134,955
Citrus Groves, Including Irrigation Systems	36,176,961	2,573,697	116,004		38,634,654
Equipment	6,815,062	328,372	143,471		6,999,963
Breeding Herd	12,094,179	2,165,878	1,075,766		13,184,291
Sugarcane-Land Prep., Etc.	12,907,640	715,188		681,658 *	14,304,486
Sod-Land Preparation, Etc.	1,118,258	44,615	335,585	(685,366)*	141,922
Farm Land Preparation	892,218	360,158			1,252,376
	<u>\$91,703,367</u>	<u>\$7,141,814</u>	<u>\$1,815,728</u>	<u>\$ 0</u>	<u>\$97,029,453</u>

* Reclassification

(/TABLE>

</TABLE>

<TABLE>

<CAPTION>

ALICO, INC.

SCHEDULE V

PROPERTY, PLANT AND EQUIPMENT

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Description	Balance Beginning of Period	Additions at Cost	Retirements or Sales	Other Changes Debit and/or Credit-Describe	Balance at Close of Period

For Year Ended August 31, 1995

<S>	<C>	<C>	<C>	<C>	<C>
Land	\$14,574,228	\$ 159,902	\$ 324,333		\$14,409,797
Roads	403,107	86,106			489,213
Agricultural Land Preparation	9,906				9,906
Forest Improvements	102,818		2,792		100,026
Pasture Improvements	1,997,036	366,383			2,363,419
Buildings	2,907,306	147,043	19,514		3,034,835
Feeding and Watering Facilities					
for Cattle Herd	32,886	3,600			36,486
Water Control Facilities	871,337				871,337
Fences	188,806	79,107	39,102		228,811
Cattle Pens	118,149	44,658	7,588		155,219
Citrus Groves, Including					
Irrigation Systems	32,761,874	3,611,450	196,363		36,176,961
Equipment	5,980,970	1,386,613	552,521		6,815,062
Breeding Herd	10,979,640	1,622,552	508,013		12,094,179
Sugarcane-Land Preparation, Etc.	12,761,667	629,125	483,152		12,907,640
Sod-Land Preparation, Etc.	1,080,849	48,305	10,896		1,118,258
Farm Land Preparation	736,778	155,440			892,218
	\$85,507,357	\$8,340,284	\$2,144,274	\$0	\$91,703,367

</TABLE>

<TABLE>
<CAPTION>

ALICO, INC.

SCHEDULE VI

Reserves for Depreciation, Depletion and Amortization of Property, Plant and Equipment

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Description	Balance Beginning of Period	Additions Charged To Profit & Loss of Income	Retirements	Other Changes Add (Deduct) Describe	Balance at Close of
For Year Ended August 31, 1997					
<S>	<C>	<C>	<C>	<C>	<C>
Buildings	\$ 1,152,448	\$ 139,550	\$ 70,096		\$ 1,221,902
Feeding and Watering Facilities					
for Cattle Herd	24,044	1,915	1,900		24,059
Water Control Facilities	866,000		866,000		0
Fences	112,016	24,421	12,420		124,017
Cattle Pens	43,362	13,951			57,313
Citrus Groves, Including					
Irrigation Systems	10,189,551	1,448,900	1,744,166		9,894,285
Equipment	4,106,878	822,968	283,365		4,646,481
Breeding Herd	7,518,756	939,309	1,596,516		6,861,549
Roads	10,731	21,366			32,097
Sugarcane-Land Preparation, Etc.	3,683,734	807,626	630,791		3,860,569
Sod-Land Preparation, Etc.	2,054	1,903			3,957
Farm Land Preparation	19,353	18,208			37,561
	\$27,728,927	\$4,240,117	\$5,205,254	\$0	\$26,763,790

</TABLE>

<TABLE>
<CAPTION>

ALICO, INC.

SCHEDULE VI

Reserves for Depreciation, Depletion and Amortization of Property, Plant and Equipment

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Description	Balance Beginning of period	Additions Charged to Profit & Loss of Income	Retirements	Other Changes Add (Deduct) Describe	Balance at Close of Period
For the Year Ended August 31, 1996					
<C>	<C>	<C>	<C>	<C>	<C>
Buildings	\$ 1,092,981	\$ 139,665	\$ 80,198	\$	\$ 1,152,448
Feeding and Watering Facilities					
for Cattle Herd	21,741	2,722	419		24,044
Water Control Facilities	866,000				866,000
Fences	96,330	21,430	5,744		112,016
Cattle Pens	49,676	13,951	20,265		43,362
Citrus Groves, Including					
Irrigation Systems	9,002,178	1,303,376	116,003		10,189,551
Equipment	3,329,601	904,448	127,171		4,106,878
Breeding Herd	7,559,946	867,887	909,077		7,518,756
Roads	0	10,731			10,731
Sugarcane-Land Prep., Etc.	2,752,281	827,397		104,056 *	3,683,734
Sod-Land Preparation, Etc.	174,201	33,524	101,615	(104,056) *	2,054
Farm Land Preparation	8,151	11,202			19,353
	\$24,953,086	\$4,136,333	\$1,360,492	\$ 0	\$27,728,927

* Reclassification

</TABLE>

<TABLE>
<CAPTION>

ALICO, INC.

SCHEDULE VI

Reserves for Depreciation, Depletion and Amortization of Property, Plant and Equipment

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
Description	Balance Beginning of Period	Additions Charged to Profit & Loss or Income	Retirements	Other Changes Add (Deduct) Describe	Balance at Close of Period
For the Year Ended August 31, 1995					
<S>	<C>	<C>	<C>	<C>	<C>
Forest Improvements	\$ 2,792	\$	\$ 2,792		0
Buildings	974,796	137,700	19,515		1,092,981
Feeding and Watering Facilities					
for Cattle Herd	19,034	2,707			21,741
Water Control Facilities	707,510	158,490			866,000
Fences	121,246	14,187	39,103		96,330

Cattle Pens	45,006	12,258	7,588		49,676
Citrus Groves, Including Irrigation System	7,834,438	1,364,102	196,362		9,002,178
Equipment	2,924,537	866,991	461,927		3,329,601
Breeding Herd	7,120,195	855,410	415,659		7,559,946
Sugarcane-Land Preparation, Etc.	2,521,318	714,115	483,152		2,752,281
Sod-Land Preparation, Etc.	129,539	46,514	1,852		174,201
Farm Land Preparation	3,426	4,725			8,151
	<u>\$22,403,837</u>	<u>\$4,177,199</u>	<u>\$1,627,950</u>	<u>\$0</u>	<u>\$24,953,086</u>

</TABLE>

<TABLE>

<CAPTION>

ALICO, INC.

SCHEDULE IX

SUPPLEMENTARY INCOME STATEMENT INFORMATION

COLUMN A	COLUMN B		
	Charged to Costs and Expenses		
	Years Ended August 31,		
Item	1997	1996	1995
<S>	<C>	<C>	<C>
1. Maintenance and repairs	\$ 990,184	\$ 858,253	\$ 948,602
2. Taxes, other than payroll and income taxes	1,755,168	1,476,159	1,539,544

</TABLE>

ALICO, INC.

Computation of Weighted Average Shares Outstanding as of August 31, 1997:

Number of shares outstanding at August 31, 1996	7,027,827
	<u> </u>
	<u> </u>
Number of shares outstanding at August 31, 1997	7,027,827
	<u> </u>
	<u> </u>
Weighted Average 9/1/96 - 8/31/97	7,027,827
	<u> </u>
	<u> </u>

EXHIBIT 12

ALICO, INC.

Computation of Ratios:

1996	Current Assets	\$34,876,632
	Current Liabilities	5,114,866
	34,876,632 divided by 5,114,866 = 6.82:1	

1997	Current Assets	\$37,887,320
	Current Liabilities	4,988,115
	37,887,320 divided by 4,988,115 = 7.59:1	

Pursuant to the requirements of Section 13 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, thereunto duly authorized.

ALICO, INC.
(Registrant)

November 11, 1997
Date

Ben Hill Griffin, III
President, Chief Executive
Officer and Director
(Signature)

November 11, 1997
Date

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

November 11, 1997
Date

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated:

J. C. Barrow, Jr.
Director
(Signature)

K. E. Hartsaw
Director
(Signature)

Walker E. Blount, Jr.
Director
(Signature)

Lloyd G. Hendry
Director
(Signature)

Ben Hill Griffin, IV
Director
(Signature)

Thomas E. Oakley
Director
(Signature)

John C. Updike
Director
(Signature)

November 11, 1997
Date

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AND STATEMENT OF STOCKHOLDERS' EQUITY OF ALICO, INC. AND SUBSIDIARY AS OF AUGUST 31, 1997 AND THE RELATED STATEMENTS OF OPERATIONS AND CASH FLOWS FOR THE YEAR THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<S>	<C>	<C>	<C>
<PERIOD-TYPE>	YEAR	YEAR	YEAR
<FISCAL-YEAR-END>	AUG-31-1997	AUG-31-1996	AUG-31-1995
<PERIOD-START>	SEP-01-1996	SEP-01-1995	SEP-01-1994
<PERIOD-END>	AUG-31-1997	AUG-31-1996	AUG-31-1995
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