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**

For the Fiscal Year Ended September 30, 2020

or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period

from ____________________to_________________________

Commission File Number: 0-261

ALICO, INC.
(***Exact name of registrant as specified in its charter***)

Florida	**59-0906081**
(*State or other jurisdiction of incorporation or organization*)	(*I.R.S. Employer Identification No.*)
10070 Daniels Interstate Court Suite 100 Fort Myers FL	**33913**
(Address of principal executive offices)	*(Zip Code)*

(239) 226-2000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	ALCO	NASDAQ Global Select Market

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
☐Yes ☑ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
☐Yes ☑ No

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☑Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer	☐	Accelerated Filer	☑
Non-accelerated filer	☐	Smaller Reporting Company	☐
Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The aggregate market value of the voting and nonvoting common equity held by non-affiliates based on the closing price, as quoted on the Nasdaq Global Select Market as of March 31, 2020 (the last business day of Alico's most recently completed second fiscal quarter) was $ 162,656,988. Solely for the purposes of this calculation, the registrant has elected to treat all executives, officers and greater than 10% stockholders as affiliates of the registrant. There were 7,506,160 shares of common stock outstanding at December 4, 2020.

Documents Incorporated by Reference:

Portions of the Proxy Statement of Registrant for the 2021 Annual Meeting of Shareholders (to be filed with the SEC under Regulation 14A within 120 days after the end of the Registrant's fiscal year), are incorporated by reference in Part III of this report.

ALICO, INC.
FORM 10-K
For the fiscal year ended September 30, 2020

Cautionary Statement

This Annual Report on Form 10-K contains certain “forward-looking statements,” as such term is defined in Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”). They are based on management’s current expectations and assumptions regarding our business and performance, the economy and other future conditions and forecasts of future events, circumstances and results. These forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often include words such as “may,” “will,” “could,” “should,” “would,” “believes,” “expects,” “anticipates”, “estimates”, “projects,” “intends,” “plans” and other words and terms of similar substance in connection with discussions of future operating or financial performance. Such forward-looking statements include, but are not limited to, statements regarding future actions, business plans and prospects, prospective products, trends, future performance or results of current and anticipated products, sales efforts, expenses, interest rates, the outcome of contingencies, such as legal proceedings, plans relating to dividends, government regulations, the adequacy of our liquidity to meet our needs for the foreseeable future and our expectations regarding market conditions.

As with any projection or forecast, forward-looking statements are inherently susceptible to uncertainty and changes in circumstances. Our actual results may vary materially from those expressed or implied in our forward-looking statements. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from past results and those anticipated, estimated or projected. Investors should bear this in mind as they consider forward-looking statements.

We undertake no obligation to update forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the U.S. Securities and Exchange Commission ("SEC"). We provide in Item 1A, “Risk Factors,” a cautionary discussion of certain risks and uncertainties related to our businesses. These are factors that we believe, individually or in the aggregate, could cause our actual results to differ materially from expected and historical results. We note these factors for investors as permitted by Section 21E of the Exchange Act. In addition, the operation and results of our business are subject to risks and uncertainties identified elsewhere in this Annual Report on Form 10-K as well as general risks and uncertainties such as those relating to general economic conditions. You should understand that it is not possible to predict or identify all such risks. Consequently, you should not consider such discussion to be a complete discussion of all potential risks or uncertainties.

PART I

Item 1. Business

Alico, Inc. (“Alico”) was incorporated under the laws of the state of Florida in 1960. Collectively with its subsidiaries (the "Company", "we", "us" or "our"), our business and operations are described below. For detailed financial information with respect to our business and our operations, see Management’s Discussion and Analysis of Financial Condition and Results of Operations which is included in Item 7 in this Annual Report on Form 10-K, and the accompanying Consolidated Financial Statements and the related Notes, which are included in Item 8. In addition, general information concerning our Company can be found on our website, the internet address of which is *http://www.alicoinc.com*. All of our filings with the U.S. Securities and Exchange Commission (the "SEC") including, but not limited to, the Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and any amendments thereto, are available free of charge on our website as soon as reasonably practicable after such material is electronically filed or furnished with the SEC. Our recent press releases and information regarding corporate governance, including the charters of our audit, compensation, executive and nominating governance committees, as well as our code of business conduct and ethics are also available to be viewed or downloaded electronically at *http://www.alicoinc.com*. Unless explicitly stated herein, the information on our website is not incorporated by reference into this Annual Report on Form 10-K and the Company disclaims any such incorporation by reference.

Overview

Alico is an agribusiness with a legacy of achievement and innovation in citrus and conservation. The Company owns approximately 100,000 acres of land in eight Florida counties (Charlotte, Collier, DeSoto, Glades, Hardee, Hendry, Highlands and Polk), holding mineral rights on approximately 90,000 acres of those owned acres. Our principal lines of business are citrus groves and conservation.

Alico is one of the largest citrus producers in the United States of America.

Alico, Inc. operates two divisions: Alico Citrus, a citrus producer, and Land Management and Other Operations, which includes land conservation, encompassing environmental services, land leasing and related support operations.

The Company manages its land based upon its primary usage and reviews its performance based upon two primary classifications - Alico Citrus and Land Management and Other Operations. Land Management and Other Operations include leases for grazing rights, hunting leases, a farm lease, a lease to a third party of an aggregate mine, leases of oil extraction rights to third parties, and other miscellaneous operations generating income. Alico presents its financial results and the related discussion based upon its two business segments: (i) Alico Citrus and (ii) Land Management and Other Operations.

Recent Developments

The COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the current novel coronavirus outbreak (“COVID-19”) to be a global pandemic. In response to this declaration and the rapid spread of COVID-19 within the United States, federal, state and local governments throughout the country have imposed varying degrees of restrictions on social and commercial activity to promote social distancing in an effort to slow the spread of the illness. These measures have had a significant adverse impact upon many sectors of the economy, including certain agriculture businesses.

During March 2020, as a precautionary measure to ensure financial flexibility and maintain maximum liquidity in response to the COVID-19 pandemic, the Company implemented several measures that we believed would ensure sufficient liquidity for the next several months, including drawing down an aggregate of $70,000,000 on its revolving credit facilities. This decision was made to safeguard the Company’s liquidity and to increase available cash on hand in the event that a more protracted COVID-19 outbreak were to put a significant strain on the financial institutions and their ability to loan funds. As of September 30, 2020, the Company, believing that, despite the protracted COVID-19 outbreak, the financial institution industry was experiencing less negative impact from the outbreak than originally expected, proceeded to pay down the majority of the amounts drawn under its revolving credit facilities.

Additionally, for the protection of our employees in accordance with the Centers For Disease Control and Prevention (CDC) guidelines, the Company arranged to have the majority of office personnel work remotely, has taken steps to allow and encourage greater separation for our employed and contracted field workers and has worked with its harvesters, haulers and suppliers to minimize interactions. The Company continues to assess the situation on a routine basis.

To date, the Company has experienced no material adverse impacts from this pandemic.

Sale and Purchase of Land

On September 11, 2020, the Company sold approximately 10,700 acres on the western part of Alico Ranch to the State of Florida for $28,500,000. A portion of these proceeds were used to purchase approximately 3,280 gross citrus acres for $16,450,000 on October 30, 2020. The purchase of these gross citrus acres was structured to allow the Company to defer income taxes of approximately $4,000,000 from the gain on sale of the approximate 10,700 acres sold to the State of Florida.

Citrus Grove Management Agreement

On July 16, 2020, the Company executed an agreement with an affiliated group of third parties to provide citrus grove caretaking and harvest and haul management services for approximately 7,000 acres owned by such third parties. Pursuant to this agreement, the Company is to be reimbursed by the third parties for all of its costs incurred related to providing these services and also receives a management fee based on acres covered under this agreement.

Agreements with Tropicana

On each of May 18, 2020 and May 20, 2020, the Company entered into a new agreement to supply Tropicana, its largest customer, with citrus fruit. These new agreements are effective October 1, 2020, conclude on July 31, 2024, and succeed an existing agreement that expired at the end of September 2020.

Federal Relief Program

The Company has been eligible for Hurricane Irma federal relief programs for block grants that are being administered through the State of Florida. During the fiscal years ended September 30, 2020 and 2019, the Company received approximately $4,629,000 and $15,597,000, respectively, under the Florida Citrus Recovery Block Grant ("CRBG") program. This represents the Part 1 and Part 2 reimbursement under a three-part program. The timing and amount to be received under Part 3 of the program, if any, has not been finalized.

Distribution of Shares by 734 Investors

On November 14, 2019, 734 Investors filed a Form 4 and an amendment to Schedule 13D with the SEC disclosing that on November 12, 2019, it distributed all of its shares of Company common stock previously held by it, consisting of 3,173,405 shares, on a pro rata basis, to its members. Prior to such distribution, 734 Investors was the Company's largest shareholder.

Employee and Board of Directors Matters

On August 6, 2020, the Board of Directors (the "Board") of the Company increased the number of its directors by two and appointed Mr. Adam Putnam and Ms. Kate English as directors, each to serve until the 2021 annual meeting of the Company's shareholders or until his or her earlier death, resignation, or removal in accordance with the Amended and Restated Bylaws of the Company.

In December 2019, Mr. George R. Brokaw, the then Executive Vice Chairman, informed the Board of Directors that he would voluntarily step down as Executive Vice Chairman effective December 31, 2019 and that change has taken effect. After the effectiveness of this change, Mr. Brokaw has remained a member of the Board of Directors.

Effective February 27, 2020 (which was immediately after the 2020 Annual Meeting of Shareholders), by way of action that has been taken by and at the direction of the Board of Directors, Benjamin D. Fishman, the non-employee Executive Chairman, became the Chairman of the Board. Mr. Fishman has remained a non-employee director.

The Land We Manage

We regularly review our land holdings to determine the best use of each parcel based upon our management expertise. Our total return profile is a combination of operating income potential and long-term appreciation. Land holdings not meeting our total return criteria are considered surplus to our operations and efforts are being made to sell such land holdings or to exchange such land holdings for land considered to be more compatible with our business objectives and total return profile.

Our land holdings and the operating activities in which we engage are categorized in the following table:

	Gross Acreage	Operating Activities
Alico Citrus		
Citrus Groves	45,485	Citrus Cultivation
Citrus Nursery	22	Citrus Tree Development
	45,507	
Land Management and Other Operations		
Ranch	52,807	Leasing and Conservation
Other Land	1,446	Mining Lease and Office
	54,253	
Total	99,760	

Alico Citrus

We own and manage citrus land in DeSoto, Polk, Collier, Hendry, Charlotte, Highlands, and Hardee Counties in the State of Florida and engage in the cultivation of citrus trees to produce citrus for delivery to the fresh and processed citrus markets. Alico citrus groves total approximately 45,507 gross acres or 45.6% of our land holdings. The Company also manages approximately 7,200 acres of citrus land on behalf of third-party grove owners in addition to the 45,507 gross acres owned by Alico.

Our citrus acreage is further detailed in the following table:

	Net Plantable					
	Producing	Developing	Fallow	Total Plantable	Support & Other	Gross
DeSoto County	15,180	1,096	482	16,758	4,650	21,408
Polk County	4,870	—	—	4,870	2,237	7,107
Collier County	4,261	—	—	4,261	2,905	7,166
Hendry County	3,546	57	175	3,778	1,707	5,485
Charlotte County	1,729	—	138	1,867	676	2,543
Highlands County	1,063	—	—	1,063	161	1,224
Hardee County	403	—	—	403	171	574
Total	31,052	1,153	795	33,000	12,507	45,507

Of the 45,507 gross acres of citrus land we own and manage, approximately 12,507 acres are classified as support and other acreage. Support and other acreage include acres used for roads, barns, water detention, water retention and drainage ditches integral to the cultivation of citrus trees, but which are not capable of directly producing fruit. In addition, we own a small citrus tree nursery of approximately 22 acres and utilize the trees produced in our own operations. The 32,978 remaining acres are classified as net plantable acres. Net plantable acres are those that are capable of directly producing fruit. These include acres that are currently producing, acres that are developing (i.e., acres that are planted with trees too young to commercially produce fruit) and acres that are fallow.

In an effort to replace trees lost in Hurricane Irma and increase the density of our citrus groves, Alico has planted more than 1.3 million new trees over the past four years. This level of planting has been substantially higher than the normal level of tree attrition. We will continue to evaluate the density throughout our groves and determine the appropriate tree plantings moving forward. Typically, citrus trees become fruit bearing approximately four years after planting and peak around seven to eight years after planting.

Our Alico Citrus business segment cultivates citrus trees to produce citrus for delivery to the processed and fresh citrus markets. Our sales to the processed market were approximately 91.0%, 95.0%, and 93.7% of Alico Citrus revenues for the fiscal years ended September 30, 2020, 2019 and 2018, respectively. We produce Early and Mid-Season varieties, primarily Hamlin oranges, as well as a Valencia variety for the processed market. We deliver our fruit to the processors in boxes which each contains approximately 90 pounds of oranges. Because the processors convert the majority of the citrus crop into orange juice, they generally do not buy their citrus on a per box basis, but rather on a pound solids basis, which is the measure of the soluble solids (sugars and acids) contained in one box of citrus fruit. We produced approximately 43,578,000, 46,727,000, and 26,513,000 pound solids for the fiscal years ended September 30, 2020, 2019 and 2018, respectively, from boxes delivered to processing plants of approximately 7,311,000, 7,904,000, and 4,702,000, respectively. As previously indicated, the falloff in fiscal year 2018 was mostly attributable to the impact of Hurricane Irma.

The average pound solids per box was 5.96, 5.91, and 5.64 for the fiscal years ended September 30, 2020, 2019 and 2018, respectively.

We generally use multi-year contracts with citrus processors that include pricing structures based on a floor and ceiling price. Therefore, if pricing in the market is favorable relative to our floor price, we benefit from the incremental difference between the floor and the final market price to the extent it does not exceed the ceiling price.

Our citrus produced for the processed citrus market in fiscal year 2020 under our largest agreement was subject to floor prices and ceiling prices. Under this agreement, if the market price was below the floor prices or exceeded the ceiling prices, then 50% of the shortfall or excess was deducted from the floor price or added to the ceiling price. Under our next largest agreement, our citrus produced is subject to a minimum floor price and maximum ceiling price and is a based on a cost-plus structure.

On each of May 18, 2020 and May 20, 2020, the Company entered into two new agreements to supply Tropicana, its largest customer, with citrus fruit. These new agreements are effective October 1, 2020, conclude on July 31, 2024, and succeeded our existing largest agreement with this customer which expired at the end of September 2020.

Although we believe other markets and customers are available for our citrus products, we also believe that new arrangements in these other markets or with other customers may be less favorable than our current contracts.

Our sales to the fresh citrus market constituted approximately 2.6%, 3.0%, and 2.6% of our Alico Citrus revenues for the fiscal years ended September 30, 2020, 2019 and 2018, respectively. We produce numerous varieties for the fresh fruit market including grapefruit, navel and other fresh varieties. Generally, our fresh fruit is sold to packing houses by the box and the packing houses are responsible for the harvest and haul of these boxes. We produced approximately 267,000, 210,000, and 125,000 fresh fruit boxes for each of the fiscal years ended September 30, 2020, 2019 and 2018, respectively.

On July 16, 2020, the Company executed an agreement with an affiliated group of third parties to provide citrus grove caretaking and harvest and haul management services ("Grove Management Services") for approximately 7,000 acres owned by such third parties. Under the terms of the agreement, the Company is reimbursed by the third parties for all of its costs incurred related to providing these services and also is to receive a management fee based on acres covered under this agreement. The Company, prior to this agreement, was already providing Grove Management Services to several small third-party grove owners on acres within the Company's groves and continues to provide such services. Revenues generated from our Grove Management Services were approximately 5.1%, 1.1% and 2.3% of our total operating revenues for the fiscal years ended September 30, 2020, 2019 and 2018, respectively.

Revenues from our Alico Citrus operations were approximately 96.6%, 97.4%, and 96.1% of our total operating revenues for the fiscal years ended September 30, 2020, 2019 and 2018, respectively.

Land Management and Other Operations

We own and manage land in Collier, Glades, and Hendry Counties and are engaged in land leasing for recreational and grazing purposes, conservation, and mining activities. Our Land Management and Other Operations land holdings total 54,253 gross acres, or 54.4% of our total acreage.

Our Land Management and Other Operations acreage is detailed in the following table as of September 30, 2020:

	Acreage
Hendry County	49,705
Glades County	526
Collier County	4,022
Total	54,253

On September 11, 2020, the Company sold approximately 10,700 acres on the western part of Alico Ranch to the State of Florida. Because the acres involved in the sale would have been critical to our planned dispersed water storage project, the Company has decided to no longer pursue permit approval activities for this project. As a result of this decision to no longer pursue permit approval activities for this project, the Company has renamed this segment Land Management and Other Operations to better reflect the components of this segment. The Company did not generate any revenue from the dispersed water storage project and incurred expenses of $1,346,000, $1,206,000 and $1,619,000 for the fiscal years ended September 30, 2020, 2019 and 2018, respectively.

In January 2018, the Company sold its breeding herd and leased grazing rights on the Ranch to a third-party operator. The Company continues to own the property and conduct its long-term dispersed water program and wildlife management programs. As part of the sales transaction, the Company expensed all cattle inventory costs that were accumulated at the date of sale.

Revenues from Land Management and Other Operations were approximately 3.4%, 2.6%, and 3.9% of total operating revenues for the fiscal years ended September 30, 2020, 2019 and 2018, respectively.

Our Strategy

Our core business strategy is to maximize stockholder value through continuously improving the return on our invested capital, either by holding and managing our existing land through skilled agricultural production, leasing, or other opportunistic means of monetization, disposing of under productive land or business units and acquiring new land or operations with appreciation potential.

Our objectives are to produce the highest quality agricultural products, create innovative land uses, opportunistically acquire and convert undervalued assets, sell under-productive land and other assets not meeting our total return profile, generate recurring and sustainable profit with the appropriate balance of risk and reward, and exceed the expectations of shareholders, customers, clients and partners.

Our strategy is based on best management practices of our agricultural operations and the environmental and conservation stewardship of our land and natural resources. We try to manage our land in a sustainable manner and evaluate the effect of changing land uses while considering new opportunities. Our commitment to environmental stewardship is fundamental to the Company's core beliefs.

Intellectual Property

While we consider our various intellectual property to be valued assets, we do not believe that our competitive position or our operations are dependent upon or would be materially impacted by any single piece of intellectual property or group of related intellectual property registrations or rights.

Seasonal Nature of Business

As with any agribusiness enterprise, our agribusiness operations and revenues are predominantly seasonal in nature. The following table illustrates the seasonality of our agribusiness revenues:

	Fiscal Year											
	Q1 Ending 12/31			**Q2 Ending 3/31**			**Q3 Ending 6/30**			**Q4 Ending 9/30**		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Harvest Fresh and Early/Mid Varieties of Oranges		X	X	X	X							
Harvest Valencia Oranges						X	X	X	X			

Significant Customers

Revenue from Tropicana represented approximately 87%, 89%, and 87% of our consolidated revenue for the fiscal years ended September 30, 2020, 2019 and 2018, respectively. The revenue in fiscal year 2020 from Tropicana was generated primarily from two separate contracts. This revenue was generated from the sale of our citrus product in the processed market. No other single customer provided more than 10% of our consolidated revenue in fiscal years 2020, 2019 or 2018.

Competition

The orange and specialty citrus markets are intensely competitive, but no single producer has any significant market power over any market segments, as is consistent with the production of most agricultural commodities. Citrus is grown domestically in several states including Florida, California, Arizona and Texas, as well as foreign countries, most notably Brazil and Mexico. Competition is impacted by several factors including quality, production, demand, brand recognition, market prices, weather, disease, export/import restrictions and foreign currency exchange rates.

Governmental Regulations

Our operations are subject to various federal, state and local laws regulating the discharge of materials into the environment. Management believes we are in material compliance with all such rules including permitting and reporting requirements. Historically, compliance with environmental regulations has not had a material impact on our financial position, results of operations or cash flows.

Management monitors environmental legislation and requirements and makes every reasonable effort to remain in compliance with such regulations. In addition, we require in our leases that lessees of our property comply with environmental regulations as a condition of leasing.

We are subject to other laws of the United States and the rules and regulations of various governing bodies within the United States, which may differ among jurisdictions. Compliance with these laws, rules and regulation has not had, and is not expected to have, a material effect on our capital expenditures, results of operations and competitive position as compared to prior periods.

Human Capital

Supporting our people is a fundamental value for Alico. We believe the Company’s success depends on its ability to attract, develop and retain key personnel. The skills, experience and industry knowledge of our employees and the employees of our independent contractors, particularly our key employees, significantly benefit our operations and performance. The Company's management oversees various employee initiatives and also monitors the effectiveness of the personnel provided by independent contractors with which we contract for certain harvesting and hauling services.

Health and safety in the workplace for our employees and personnel provided by independent contractors with which we contract is one of the Company’s core values. Hazards in the workplace are actively identified and management tracks incidents so remedial actions can be taken to improve workplace safety. The COVID-19 pandemic has underscored for us the importance of keeping our employees and the personnel provided by independent contractors safe and healthy. In response to the pandemic, the Company has taken actions aligned with the Centers for Disease Control and Prevention to protect its workforce so that its workforce can more safely and effectively perform their work.

Employee levels are managed to align with the pace of business and takes into account the services that are performed for us by our independent contractors. We rely on our independent contractors to manage their respective employee levels so that the harvesting and hauling services they are obligated to perform for us are consistent with the contractual obligations of these independent contractors and enable us to satisfy our harvesting and hauling needs. Management believes that through its own employees, coupled with the human capital supplied by its independent contractors, it has sufficient human capital to operate its business successfully. Management believes that the Company's employee relations are favorable, that its relations with its independent contractors is favorable and that the relations that the independent contractors and the Company has with the employees of the independent contractors is favorable.

We believe in a culture of equity, diversity and inclusion. We are also committed to advancing safe and respectful work environments where our employees are invited to bring their talents, backgrounds and expertise to bear on the success of our business and where every person has the opportunity to thrive personally and professionally.

As of September 30, 2020, we had 251 full-time employees. Our employees work in the following divisions:

Alico Citrus	230
Land Management and Other Operations (1)	0
Corporate, General, Administrative and Other	21
Total employees	251

(1) There is one employee who is included in Corporate, General, Administrative and Other who oversees the Land Management and Other operations.

None of our employees are subject to a collective bargaining agreement. We believe that our relations with our employees are good.

Capital Resources and Raw Materials

Management believes that the Company will be able to meet its working capital requirements for at least the next 12 months, and over the long term, through internally generated funds, cash flows from operations, the sale of under-productive land and other assets, our existing lines of credit and access to capital markets. The Company has commitments that provide for lines of revolving credit that are available for our general and corporate use.

Raw materials needed to cultivate the various crops grown by the Company consist primarily of fertilizers, herbicides, insecticides and fuel and are readily available from local suppliers.

Available Information

We will provide electronic copies of our SEC filings free of charge upon request. Additionally, our reports, amendments thereto, proxy statements and other information are also made available, free of charge, on our investor relations website at *ir.alicoinc.com* as soon as reasonably practicable after we electronically file or furnish such information with the SEC. Any information posted on or linked from our website is not incorporated by reference in this Annual Report on Form 10-K. The SEC also maintains a website at *http://www.sec.gov*, which contains annual, quarterly and current reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

Item 1A. Risk Factors

Our business and results of operations are subject to numerous risks and uncertainties, many of which are beyond our control. The following is a description of key known factors that we believe may materially affect our business, financial condition, results of operations or cash flows. They should be considered carefully, in addition to the information set forth elsewhere in this Annual Report on Form 10-K, including Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations and Item 8, Financial Statements and Supplementary Data, including the related Notes to the Consolidated Financial Statements in making any investment decisions with respect to our securities. Additional risks or uncertainties that are not currently known to us that we currently deem to be immaterial or that could apply to any company could also materially adversely affect our business, financial condition, results of operations or cash flows.

Risks Related to our Business

The COVID-19 pandemic has caused significant economic instability and uncertainty and may have an adverse effect on our business, results of operations and financial condition.

The COVID-19 pandemic has caused economic instability and uncertainty globally and may have a material adverse impact, on our business.

Potential negative impacts of the pandemic include, but are not limited to, the following:

- Reduction in customer demand for citrus products and decreased consumer spending levels, which could materially and adversely affect our results of operations;
- Potential disruption of services on which we rely to deliver our harvested citrus to producers and fulfilling deliveries to production plants, any of which could materially and adversely affect our business or reputation;
- We may be unable to obtain financing in the current economic environment on terms that are favorable or acceptable to us, or at all, which could impair our cash flows and restrict our ability to execute on our strategic initiatives and react to changes in our business or the environment;
- There could be increased volatility in our stock price related to the pandemic, which could result in the loss of some or all of the value of an investment in the Company;
- Our ability to maintain our workforce during these uncertain times,which could materially and adversely affect our results of operations;
- Increase in employee absenteeism due to fear of infection, which could materially and adversely affect our results of operations;
- Increase in possible lawsuits or regulatory actions due to COVID-19 spread in the workplacewhich could materially and adversely affect our results of operations;
- Spread of COVID-19 in our workplace, which could materially and adversely affect our business and reputation;
- Increase in the possibility of cybersecurity-related events such as COVID-19 themed phishing attacks and other security challenges, particularly as attributable to a substantial number of our employees and suppliers working remotely, which could materially and adversely affect our business and reputation; and
- Adverse impact on the productivity of management and our employees that are working remotely, including an impact on our ability to maintain our financial reporting processes and related controls and our ability to manage complex accounting issues presented by the COVID-19 pandemic which could materially and adversely affect our business and reputation.

Our business operations could be significantly harmed by natural disasters or global epidemics.

Our business could be adversely affected by natural disasters such as epidemics, outbreaks or other health crisis. An outbreak of avian flu or H1N1 flu in the human population, or another similar health crisis, such as the current COVID-19 pandemic referred to above, could adversely affect economies and financial markets, particularly those in the United States. Moreover, any related disruptions to transportation or the free movement of persons could hamper our operations and force us to close our offices temporarily.

The occurrence of any of the foregoing or other natural or man-made disasters could cause damage or disruption to us, our employees, operations, markets and customers, which could result in significant delays in deliveries or substantial shortages of our products and adversely affect our business results of operations, financial condition or prospects.

Adverse weather conditions, natural disasters and other natural conditions, including the effects of climate change, could impose significant costs and losses on our business.

Fresh produce is vulnerable to adverse weather conditions, including windstorms, floods, drought and temperature extremes, which are quite common and may occur with higher frequency or be less predictable in the future due to the effects of climate change. Unfavorable growing conditions can reduce both crop size and crop quality. In extreme cases, entire harvests may be lost in some geographic areas. Citrus groves are subject to damage from frost and freezes, and this has happened periodically in the recent past, including most recently the impact from Hurricane Irma. In some cases, the fruit is damaged or ruined; in the case of extended periods of cold, the trees can also be damaged or killed. These factors can increase costs, decrease revenues and lead to additional charges to earnings, which may have a material adverse effect on our business, results of operations, financial condition and cash flows.

Our citrus groves are subject to damage and loss from disease including but not limited to citrus greening and citrus canker which could negatively impact our business, financial condition, results of operations and cash flows.

Our citrus groves are subject to damage and loss from diseases such as citrus greening and citrus canker. Each of these diseases is widespread in Florida and exists in our citrus groves and in the areas where our citrus groves are located. The success of our citrus business is directly related to the viability and health of our citrus groves.

Citrus greening is one of the most serious citrus plant diseases in the world. Once a tree is infected, its productivity generally decreases. While the disease poses no threat to humans or animals, it has devastated citrus crops throughout the United States and abroad. Named for its green, misshapen fruit, citrus greening disease has now killed millions of citrus plants in the southeastern United States and has spread across the entire country. Infected trees produce fruits that are green, misshapen and bitter, unsuitable for sale as fresh fruit or for juice. Infected trees can die within a few years. At the present time, there is no known cure for citrus greening once trees have become infected. Primarily, as a result of citrus greening, orange production in the State of Florida has continued to drop.

Citrus canker is a disease affecting citrus species and is caused by a bacterium which is spread by contact with infected trees or by windblown transmission. There is no known cure for citrus canker at present although some management practices, including the use of copper-based bactericides, can mitigate its spread and lessen its effect on infected trees; however, there is no assurance that currently available technologies will control such disease effectively.

Both of these diseases pose a significant threat to the Florida citrus industry and to our citrus groves. While we try to use best management practices to attempt to control diseases and their spread, there can be no assurance that our mitigation efforts will be successful. These diseases can significantly increase our costs which could materially adversely affect our business, financial condition, results of operations and cash flows. Our citrus groves produce the significant majority of our annual operating revenues. A significant reduction in available citrus from our citrus groves could decrease our operating revenues and materially adversely affect our business, financial condition, results of operations and cash flows.

Our citrus groves are geographically concentrated in Florida and the effects of adverse weather conditions including hurricanes and tropical storms could adversely affect our results of operations, financial position and cash flows.

Our citrus operations are concentrated in central and south Florida with our groves located in parcels in DeSoto, Polk, Collier, Hendry, Charlotte, Highlands, and Hardee Counties. Because our groves are located in close proximity to each other, the impact of adverse weather conditions may be material to our results of operations, financial position and cash flows. Florida is particularly susceptible to the occurrence of hurricanes and tropical storms. Depending on where any particular hurricane or tropical storm makes landfall, our properties could experience significant, if not catastrophic damage. Hurricanes and tropical storms have the potential to destroy crops and impact citrus production through the loss of fruit and destruction of trees and/or plants either as a result of high winds or through the spread of windblown disease. Such damage could materially affect our citrus operations and could result in a loss of operating revenues from those products for a multi-year period. We seek to minimize hurricane risk by the purchase of insurance contracts, but the majority of our crops remain uninsured. In addition to hurricanes and tropical storms, the occurrence of other natural disasters and climate conditions in Florida, such as tornadoes, floods, freezes, unusually heavy or prolonged rain, droughts and heat waves, could have a material adverse effect on our operations and our ability to realize income from our crops or properties.

A significant portion of our revenues are derived from our citrus business and any adverse event affecting such business could disproportionately harm our business.

Our revenues from our citrus business were approximately 96.6%, 97.4%, and 96.1% of our operating revenues in fiscal years 2020, 2019 and 2018, respectively. Our citrus division is one of the largest citrus producers in the United States and because of the significance of the revenues derived from this business, we are more vulnerable to adverse events or market conditions affecting our citrus business which could have a significant impact on our overall results of operations, financial condition and cash flows.

Our failure to effectively perform grove management functions or to effectively manage an expanded portfolio of groves could materially and adversely affect our business, financial condition, and results of operations.

Recently, we have significantly expanded the number of grove acres that we are managing for third parties. If we are unable to effectively perform grove management services for both our own groves and the groves owned by third parties at the level and/or the cost that we expect, or if we were to fail to allocate sufficient resources to meet the grove management of our own groves and the groves owned by these third parties, it could adversely affect our performance and reputation. Our ability to perform the grove management services will be affected by various factors, including, among other things, our ability to maintain sufficient personnel and retain key personnel and the number of acres and groves that we will manage. Increases in the number of acres and groves we are managing have required us to hire a greater number of additional qualified personnel. No assurance can be made that we will continue to be successful in attracting and retaining skilled personnel or in integrating any new personnel into our organization.

Our business is highly competitive and we cannot assure you that we will maintain our current market share.

Many companies compete in our different businesses and offer products that are similar to our products or are direct competitors to our products. We face strong competition from these and other companies engaged in the agricultural product business.

Important factors with respect to our competitors include the following:

- Some of our competitors may have greater operating flexibility and, in certain cases, this may permit them
- to respond better or more quickly to changes in the industry.
- We cannot predict the pricing or promotional actions of our competitors or whether those actions will have a negative effect on us.
- Our competitors may have access to substantially greater financial resources, deeper management and agricultural resources, regional, national or global areas that offer agricultural advantages, and enhanced public visibility or reputations.

There can be no assurance that we will continue to compete effectively with our present and future competitors, and our ability to compete could be materially adversely affected by our debt levels and debt service requirements.

We depend on our relationship with Tropicana for a significant portion of our business. Any disruption in this relationship could harm our sales. Additionally, if certain criteria are not met under one of our contracts with Tropicana, we could experience a significant reduction in revenues and cash flows.

The Company's contracts with Tropicana accounted for 86.9%, 88.6%, and 86.6% of the Company's revenues in fiscal years 2020, 2019 and 2018, respectively. The revenue for Tropicana is primarily generated from two contracts. Should there be any change in our current relationship structure, whereby they do not buy our oranges, we would need to find replacement buyers to purchase our remaining crop, which could take time and expense and may result in less favorable terms of sale. The loss of Tropicana as a customer or significant reduction in business with Tropicana may cause a material adverse impact to our financial position, results of operations and cash flows.

Our agricultural products are subject to supply and demand pricing which is not predictable.

Agricultural operations traditionally provide almost all of our operating revenues with citrus being the largest portion and are subject to supply and demand pricing. Prior to this current fiscal year, according to Nielsen data, consumer demand for orange juice had decreased significantly to its lowest level in almost a decade; however, we have been able to offset the impact of such decline with higher prices based on a lower supply of available oranges. Although the demand for orange juice has increased in this latest year, it is uncertain as to whether such increased demand can be maintained, whether we will see a return to a decline in the future and whether, if there were to be such a decline, the impact could be again offset by higher prices. In particular, although our processed citrus is subject to minimum pricing, we are unable to predict with certainty the final price we will receive for our products. In some instances, the harvest and growth cycle will dictate when such products must be marketed which may or may not be advantageous in obtaining the best price. Excessive supplies tend to cause severe price competition and lower prices for the commodity affected. Limited supply of certain agricultural commodities due to world and domestic market conditions can cause commodity prices to rise in certain situations.

If we are unable to successfully develop and execute our strategic growth initiatives, or if they do not adequately address the challenges or opportunities we face, our business, financial condition and prospects may be adversely affected.

Our success is dependent, in part, on our ability to identify, develop and execute appropriate strategic growth initiatives that will enable us to achieve sustainable growth in the long term. The implementation of our strategic initiatives is subject to both the risks affecting our business generally and the inherent risks associated with implementing new strategies. These strategic initiatives may not be successful in generating revenues or improving operating profit and, if they are, it may take longer than anticipated. As a result, and depending on evolving conditions and opportunities, we may need to adjust our strategic initiatives and such changes could be substantial, including modifying or terminating one or more of such initiatives. Termination of such initiatives may require us to write down or write off the value of our investments in them. Transition and changes in our strategic initiatives may also create uncertainty in our employees, customers and partners that could adversely affect our business and revenues. In addition, we may incur higher than expected or unanticipated costs in implementing our strategic initiatives, attempting to attract revenue opportunities or changing our strategies. There can be no assurance that the implementation of any strategic growth initiative will be successful, and we may not realize anticipated benefits at levels we project or at all, which would adversely affect our business, financial condition and prospects.

We are subject to the risk of product contamination and product liability claims.

The sale of agricultural products for human consumption involves the risk of injury to consumers. Such injuries may result from tampering by unauthorized third parties, product contamination or spoilage, including the presence of foreign objects, substances, chemicals, other agents, or residues introduced during the growing, storage, handling or transportation phases. While we are subject to governmental inspection and regulations and believe our facilities comply in all material respects with all applicable laws and regulations, we cannot be sure that our agricultural products will not cause a health-related illness in the future or that we will not be subject to claims or lawsuits relating to such matters. Even if a product liability claim is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that our products caused illness or injury could adversely affect our reputation with existing and potential customers and our corporate and brand image. Moreover, claims or liabilities of this sort might not be covered or fully covered by our insurance or by any rights of indemnity or contribution that we may have against others. We maintain product liability insurance; however, we cannot be sure that we will not incur claims or liabilities for which we are not insured or that exceed the amount of our insurance coverage.

Our agricultural operations are subject to water use regulations restricting our access to water.

Our operations are dependent upon the availability of adequate surface and underground water. The availability of water is regulated by the state of Florida through water management districts which have jurisdiction over various geographic regions in which our lands are located. Currently, we have permits in place for the next 15 to 20 years for the use of underground and surface water which are believed to be adequate for our agricultural needs.

Surface water in Hendry County, where much of our agricultural land is located, comes from Lake Okeechobee via the Caloosahatchee River and a system of canals used to irrigate such land. The Army Corps of Engineers controls the level of Lake Okeechobee and ultimately determines the availability of surface water even though the use of water has been permitted by the state of Florida through the water management district. The Army Corps of Engineers decided in 2010 to lower the permissible level of Lake Okeechobee in response to concerns about the ability of the levee surrounding the lake to restrain rising waters which could result from hurricanes. Changes in availability of surface water use may result during times of drought, because of lower lake levels and could materially adversely affect our agricultural operations, financial condition, results of operations and cash flows.

Changes in immigration laws could impact our ability to harvest our crops.

We engage third parties to provide personnel for our harvesting operations. The availability and number of such workers is subject to decrease if there are changes in the U.S. immigration laws. Immigration reform and enforcement has been attracting significant attention from the U.S. Government (particularly in the current U.S. administration and U.S. Congress), with enforcement operations taking place across the country, resulting in arrests and detentions of unauthorized workers. It remains unclear how the next U.S. administration will approach immigration reform and enforcement. However, if new immigration legislation is enacted in the U.S. and/or if enforcement actions are taken against available personnel, such legislation and/or enforcement activities may contain provisions that could significantly reduce the number and availability of workers. Termination of a significant number of personnel who might be found to be unauthorized workers or the scarcity of other available personnel to harvest our agricultural products could cause harvesting costs to increase or could lead to the loss of product that is not timely harvested which could have a material adverse effect to our citrus grove business, financial condition, results of operations and cash flows.

Our acquisition of additional agricultural assets and other businesses could pose risks.

We seek to opportunistically acquire new agricultural assets from time to time that we believe would complement our business. For example, (i) in fiscal year 2015, we acquired three Florida citrus properties, including Orange-Co and Silver Nip Citrus, which resulted in our citrus division being one of the largest citrus producers in the United States, and (ii) in October 2020 we acquired another Florida citrus property. While we expect that our past and future acquisitions will successfully complement our business, we may fail to realize all of the anticipated benefits of these acquisitions, which could reduce our anticipated results. We cannot assure that we will be able to successfully identify suitable acquisition opportunities, negotiate appropriate acquisition terms, or obtain any financing that may be needed to consummate such acquisitions or complete proposed acquisitions. Acquisitions by us could result in accounting changes, potentially dilutive issuances of equity securities, increased debt and contingent liabilities, reduce the amount of cash available for dividends, debt service payments, integration issues and diversion of management's attention, any of which could adversely affect our business, results of operations, financial condition, and cash flows. We may be unable to successfully realize the financial, operational, and other benefits we anticipate from our acquisitions and our failure to do so could adversely affect our business, results of operations, financial condition and cash flows.

Dispositions of our assets may adversely affect our future results of operations.

We also routinely evaluate the benefits of disposing of certain of our assets which could include the exit from lines of business. For example, in November of 2014, we sold significant sugarcane assets and we are no longer involved in the sugarcane business and, in January of 2018, we sold our breeding herd and no longer engage in cattle operations. Most recently, we sold certain ranch acres to the State of Florida because these acres would have been critically important for carrying out the Company's planned dispersed water storage project, the Company is no longer are pursuing permit approval relating to this dispersed water storage project. While such dispositions increase the amount of cash available to us, it could also result in a potential loss of significant operating revenues and income streams that we might not be able to replace, makes our business less diversified and could ultimately have a negative impact on our results of operations, financial condition and cash flows.

If a transaction intended to qualify as a Section 1031 Exchange is later determined to be taxable, we may face adverse consequences, and if the laws applicable to such transactions are amended or repealed, we may not be able to dispose of properties in the future on a tax deferred basis.

From time to time we dispose of properties in transactions that are intended to qualify as Section 1031 Exchanges under the federal income tax law. It is possible that the qualification of a transaction as a Section 1031 Exchange could be successfully challenged and determined to be currently taxable and we could also be required to pay interest and penalties. As a result, we may be required to borrow funds in order to pay additional income taxes, and the payment of such taxes could cause us to have less cash available. Moreover, it is possible that legislation could be enacted that could modify or repeal the laws with respect to Section 1031 Exchanges, which could make it more difficult or not possible for us to dispose of properties in the future on a tax deferred basis.

We may undertake one or more significant corporate transactions that may not achieve their intended results, may adversely affect our financial condition and our results of operations or result in unforeseeable risks to our business.

We continuously evaluate the acquisition or disposition of operating businesses and assets and may in the future undertake one or more significant transactions. Any such acquisitive transaction could be material to our business and could take any number of forms, including mergers, acquisitions, joint ventures and the purchase of equity interests. The consideration for such acquisitive transactions may include, among other things, cash, common stock or equity interests in the Company or our subsidiaries, or a contribution of property or equipment to obtain equity interests, and in conjunction with a transaction we might incur additional indebtedness. We also routinely evaluate the benefits of disposing of certain assets. Such dispositions could take the form of asset sales, mergers or sales of equity interests.

These transactions may present significant risks such as insufficient assets to offset liabilities assumed, potential loss of significant operating revenues and income streams, increased or unexpected expenses, inadequate return of capital, regulatory or compliance issues, the triggering of certain financial covenants in our debt instruments (including accelerated repayment) and unidentified issues not discovered in due diligence. In addition, such transactions could distract management from current operations. As a result of the risks inherent in such transactions, we cannot guarantee that any such transaction will ultimately result in the realization of its anticipated benefits or that it will not have a material adverse impact on our business, financial condition, results of operations or cash flows. If we were to complete such an acquisition, disposition, investment or other strategic transaction, we may require additional debt or equity financing that could result in a significant increase in our amount of debt and our debt service obligations or the number of outstanding shares of our common stock, thereby diluting holders of our common stock outstanding prior to such acquisition.

Our citrus business is seasonal.

Our citrus groves produce the majority of our annual operating revenues and the citrus business is seasonal because it is tied to the growing and picking seasons. Historically, the second and third quarters of our fiscal year generally produce the majority of our annual revenues, and our working capital requirements are typically greater in the first and fourth quarters of our fiscal year coinciding with our planting cycles. Because of the seasonality of our business, results for any quarter are not necessarily indicative of the results that may be achieved for the full fiscal year or in future quarters. If our operating revenues in the second and third quarters are lower than expected, it would have a disproportionately large adverse impact on our annual operating results.

We face significant competition in our agricultural operations.

We face significant competition in our agricultural operations both from domestic and foreign producers and do not have any branded products. Foreign growers generally have an equal or lower cost of production, less environmental regulation and in some instances, greater resources and market flexibility than us. Because foreign growers have greater flexibility as to when they enter the U.S. market, we cannot always predict the impact these competitors will have on our business and results of operations. The competition we face from certain foreign suppliers of orange juice is mitigated by a governmentally imposed tariff on orange imports. Accordingly, a reduction in the government's orange juice tariff could adversely impact our results of operations.

Our earnings are sensitive to fluctuations in market supply and prices and demand for our products.

Excess supplies often cause severe price competition in our industry. Growing conditions in various parts of the world, particularly weather conditions such as windstorms, floods, droughts and freezes, as well as diseases and pests, are primary factors affecting market prices because of their influence on the supply and quality of product.

Fresh produce is highly perishable and generally must be brought to market and sold soon after harvest. Many of the items involved in our business, such as oranges, must be sold more quickly than other produce our competitors may produce, such as lemons. As such, our competitors may be able to maintain certain items they produce in inventory for longer periods than we are able to maintain our inventory which may offer our competitors strategic advantages when they respond to fluctuations in market supply and demand that are not available to us.

In addition, general public perceptions regarding the quality, safety or health risks associated with particular food products could reduce demand and prices for some of our products. To the extent that consumer preferences evolve away from products that we produce for health or other reasons, and we are unable to modify our products or to develop products that satisfy new consumer preferences, there will be a decreased demand for our products. If excess supplies do exist, this could result in reduced pricing or unusable inventory which could adversely impact our results of operations.

Climate change, or legal, regulatory, or market measures to address climate change, may negatively affect our business and operations.

There is growing concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns, and the frequency and severity of extreme weather and natural disasters. In the event that such climate change has a negative effect on the productivity of our citrus groves, it could have an adverse impact on our business and results of operations. The increasing concern over climate change also may result in more regional, federal, and/or global legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases. In the event that such regulation is enacted, we may experience significant increases in our costs of operations. In particular, increasing regulation of fuel emissions could substantially increase the distribution and supply chain costs associated with our products. As a result, climate change could negatively affect our business and operations.

Increases in labor, personnel and benefits costs could adversely affect our operating results.

We primarily utilize labor contractors to harvest and deliver our fruit to outside packing facilities. Our employees and contractors are in demand by other agribusinesses and other industries. Shortages of labor, particularly as a result of the recent low unemployment rate in the United States and in Florida in particular, could delay our harvesting or orange processing activities or could result in increases in labor costs.

We and our labor contractors are subject to government mandated wage and benefit laws and regulations. In addition, current or future federal or state healthcare legislation and regulation, including the Affordable Care Act, may increase our medical costs or the medical costs of our labor contractors that could be passed on to us.

Increases in commodity or raw product costs, such as fuel and chemical costs, could adversely affect our operating results.

Many factors may affect the cost and supply of citrus, including external conditions, commodity market fluctuations, changes in governmental laws and regulations, tariffs, agricultural programs, severe and prolonged weather conditions and natural disasters. Increased costs for products can negatively impact our operating results and there can be no assurance that they will not adversely affect our operating results in the future.

We are subject to transportation risks.

We depend on third party providers of transportation and have no control over such third parties. An extended interruption in our ability to harvest and haul our products could have a material adverse effect on our business, financial condition and results of operations. Similarly, any extended disruption in the distribution of our products could have a material adverse effect on our business, financial condition and results of operations.

While we believe we are adequately insured and would attempt to transport our products by alternative means if we were to experience an interruption due to strike, natural disasters or otherwise, we cannot be sure that we would be able to do so or be successful in doing so in a timely and cost-effective manner.

We benefit from reduced real estate taxes due to the agricultural classification of a majority of our land. Changes in the classification or valuation methods employed by county property appraisers could cause significant changes in our real estate property tax liabilities.

In the fiscal years ended September 30, 2020, 2019 and 2018 we paid approximately $2,714,000, $2,755,000, and $3,089,000 in real estate taxes, respectively. These taxes were based upon the agricultural use ("Green Belt") values determined by the county property appraisers in which counties we own land, of approximately $87,976,000, $91,312,000, and $104,017,000 for the fiscal years ended September 30, 2020, 2019 and 2018, respectively, which differs significantly from the fair values determined by the county property appraisers of approximately $463,799,000, $514,330,000, and $537,183,000, respectively. Changes in state law or county policy regarding the granting of agricultural classification or calculation of "Green Belt" values or average millage rates could significantly impact our results of operations, cash flows and/or financial position.

Liability for the use of fertilizers, pesticides, herbicides and other potentially hazardous substances could increase our costs.

Our agricultural business involves the use of herbicides, fertilizers and pesticides, some of which may be considered hazardous or toxic substances. We may be deemed liable and have to pay for the costs or damages associated with the improper application, accidental release or the use or misuse of such substances. Our insurance may not be adequate to cover such costs or damages, or may not continue to be available at a price or under terms that are satisfactory to us. In such cases, if we are required to pay significant costs or damages, it could materially adversely affect our business, results of operations, financial condition and cash flows.

Compliance with applicable environmental laws may substantially increase our costs of doing business which could reduce our profits.

We are subject to various laws and regulations relating to the operation of our properties, which are administered by numerous federal, state and local governmental agencies. We face a potential for environmental liability by virtue of our ownership of real estate property. If hazardous substances (including herbicides and pesticides used by us or by any persons leasing our lands) are discovered emanating from any of our lands and the release of such substances presents a threat of harm to the public health or the environment, we may be held strictly liable for the cost of remediation of these hazardous substances. In addition, environmental laws that apply to a given site can vary greatly according to the site's location, its present and former uses, and other factors such as the presence of wetlands or endangered species on the site. Management monitors environmental legislation and requirements and makes every effort to remain in compliance with such regulations. Furthermore, we require lessees of our properties to comply with environmental regulations as a condition of leasing. We also purchase insurance for environmental liability when it is available; however, these insurance contracts may not be adequate to cover such costs or damages or may not continue to be available at prices and terms that would be satisfactory. It is possible that in some cases the cost of compliance with these environmental laws could exceed the value of a particular tract of land, make it unsuitable for use in what would otherwise be its highest and best use, and/or be significant enough that it would materially adversely affect us.

Our business may be adversely affected if we lose key employees.

We depend to a large extent on the services of certain key management personnel. These individuals have extensive experience and expertise in the business lines and segments in which they work. The loss of any of these individuals could have a material adverse effect on our businesses. We do not maintain key-man life insurance with respect to any of our employees. Our success will be dependent on our ability to continue to attract, employ and retain skilled personnel in our business lines and segments.

Inflation can have a significant adverse effect on our operations.

Inflation can have a major impact on our citrus operations. The citrus operations are most affected by escalating costs and unpredictable revenues and very high irrigation water costs. High fixed water costs related to our citrus lands will continue to adversely affect earnings. Prices received for many of our products are dependent upon prevailing market conditions and commodity prices. Therefore, it is difficult for us to accurately predict revenue, just as we cannot pass on cost increases caused by general inflation, except to the extent reflected in market conditions and commodity prices.

We incur increased costs as a result of being a publicly traded company.

As a company with publicly traded securities, we have incurred, and will continue to incur, significant legal, accounting and other expenses. In addition, the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as well as rules promulgated by the SEC and Nasdaq, requires us to adopt corporate governance practices applicable to U.S. public companies. These laws, rules and regulations may increase our legal and financial compliance costs, which could adversely affect the trading price of our common stock.

System security risks, data protection breaches, cyber-attacks and systems integration issues could disrupt our internal operations or services provided to customers, and any such disruption could reduce our expected revenues, increase our expenses, damage our reputation and adversely affect our stock price.

Computer programmers and hackers may be able to penetrate our network security and misappropriate or compromise our confidential information or that of third parties, create system disruptions or cause shutdowns. Computer programmers and hackers also may be able to develop and deploy viruses, worms, and other malicious software programs that attack our systems and databases or otherwise exploit any security vulnerabilities of our systems and databases. In addition, sophisticated hardware and operating system software and applications that we develop internally or procure from third parties may contain defects in design or manufacture, including “bugs” and other problems that could unexpectedly interfere with the operation of the system. The costs to us to eliminate or alleviate cyber or other security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and our efforts to address these problems may not be successful and could result in interruptions, delays, cessation of service and loss of existing or potential customers that may impede our sales, distribution or other critical functions.

Portions of our information technology infrastructure also may experience interruptions, delays or cessations of service or produce errors in connection with systems integration or migration work that takes place from time to time. We may not be successful in implementing new systems and transitioning data, which could cause business disruptions and be more expensive, time consuming, disruptive and resource-intensive. Such disruptions could adversely impact our ability to track sales and could interrupt other operational or financial processes, which in turn could adversely affect our financial results, stock price and reputation.

Risks Related to Our Indebtedness

We maintain a significant amount of indebtedness which could adversely affect our financial condition, results of operations or cash flows and may limit our operational and financing flexibility and negatively impact our business.

As of September 30, 2020, we had approximately $151,000,000 in principal amount of indebtedness outstanding under our secured credit facilities and line of credit and an additional availability of approximately $91,659,000 is available under our revolving lines of credit. Our loan agreements, as well as other debt instruments we may enter into in the future, may have negative consequences to us and could limit our business because we will use a substantial portion of our cash flows from operations to pay debt service costs which will reduce the funds available to us for corporate and general expenses and it may make us more vulnerable to economic downturns and adverse developments in our business. Our loan agreements require us to comply with various restrictive covenants and some contain financial covenants that require us to comply with specified financial ratios and tests. Our failure to meet these covenants could result in default under these loan agreements and would result in a cross-default under other loan agreements. In the event of a default and our inability to obtain a waiver of the default, all amounts outstanding under loan agreements could be declared immediately due and payable. Our loan agreements also contain various covenants that limit our ability to engage in specified types of transactions. We expect that we will depend primarily upon our citrus operations to provide funds to pay our corporate and general expenses and to pay any amounts that may become due under any credit facilities and any other indebtedness we may incur. In addition, there are factors beyond our control that could negatively affect our citrus business revenue stream. Our ability to make these payments depends on our future performance, which will be affected by various financial, business, macroeconomic and other factors, many of which we cannot control.

We may be unable to generate sufficient cash flow to service our debt obligations.

To service our debt, we require a significant amount of cash. Our ability to generate cash, make scheduled payments or refinance our obligations depends on our successful financial and operating performance. Our financial and operating performance, cash flow and capital resources depend upon prevailing economic conditions and various financial, business and other factors, many of which are beyond our control. These factors include among others:

- economic and competitive conditions
- changes in laws and regulations
- operating difficulties, increased operating costs or pricing pressures we may experience; and
- delays in implementing any strategic projects

If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell material assets or operations, obtain additional capital or restructure our debt. If we are required to take any actions referred to above, it could have a material adverse effect on our business, financial condition and results of operations. In addition, we cannot assure investors that we would be able to take any of these actions on terms acceptable to us, or at all, or that these actions would enable us to continue to satisfy our capital requirements or that these actions would be permitted under the terms of our various debt agreements.

Some of our debt is based on variable rates of interest, which could result in higher interest expenses in the event of an increase in the interest rates.

Our credit facility and certain of our term loans that we have currently bear interest at variable rates, which will generally change as interest rates change. We bear the risk that the rates we are charged by our lenders will increase faster than the earnings and cash flow of our business, which could reduce profitability, adversely affect our ability to service our debt, cause us to breach covenants contained in our credit facility and term loans, any of which could materially adversely affect our business, financial condition, results of operations and cash flows.

Risks Related to our Common Stock

Our common stock has low trading volume and the distribution of all of the shares of our common stock owned by 734 Investors to its members has the effect of increasing the Company's public float and such increase may have a material adverse effect on the market price of our common stock.

Although our common stock trades on the Nasdaq Global Select Market, it is thinly traded and our average daily trading volume is low compared to the number of shares of common stock we have outstanding. The low trading volume of our common stock can cause our stock price to fluctuate significantly as well as make it difficult for a shareholder to sell their common shares quickly. As a result of our stock being thinly traded and/or our low stock price, institutional investors might not be interested in owning our common stock, which in turn could have a material adverse effect on our ability to obtain future funding, if needed, as well as create a potential market overhang.

On November 12, 2019, 734 Investors effected a distribution of all of the shares of our common stock owned by 734 Investors to its members. The distribution of Alico shares of common stock by 734 Investors to its members has the effect of increasing the Company's public float and such increase, although it may increase the trading volume and thus reduce some of the trading volume risk described above, may at the same time over the short term have a material adverse effect on the market price of the common stock if too many members of 734 Investors seek to liquidate their shares over a short period.

We may not be able to continue to pay or maintain our cash dividends on our common stock and the failure to do so may negatively affect our share price.

We have historically paid regular quarterly dividends to the holders of our common stock. Our ability to pay cash dividends depends on, among other things, our cash flows from operations, our cash requirements, our financial condition, the degree to which we are/or become leveraged, contractual restrictions binding on us, provisions of applicable law and other factors that our Board of Directors may deem relevant. There can be no assurance that we will generate sufficient cash from continuing operations in the future, or have sufficient cash surplus or net profits to pay dividends on our common stock. Our dividend policy is based upon our directors' current assessment of our business and the environment in which we operate and that assessment could change based on business developments (which could, for example, increase our need for capital expenditures) or new growth opportunities. Our Board of Directors may, in its discretion, decrease the level of cash dividends or entirely discontinue the payment of cash dividends. The reduction or elimination of cash dividends may negatively affect the market price of our common stock.

There can be no assurance that we will resume the repurchase of shares of our common stock.

In fiscal year 2017, our Board of Directors authorized the repurchase of up to $7,000,000 of the Company's common stock in two separate authorizations. In March 2017, our Board of Directors authorized the repurchase of up to $5,000,000 of the Company's common stock beginning March 9, 2017 and continued through March 9, 2019. In May 2017, our Board of Directors authorized the repurchase of up to an additional $2,000,000 of the Company's common stock beginning May 24, 2017 and continued through May 24, 2019. There can be no assurance that we will repurchase shares in the future in any particular amounts or at all. A reduction in, or elimination of, share repurchases could have a negative effect on our share price.

If we were to conduct another tender offer or engage in an additional share repurchase program, holders of our securities would be subject to certain risks associated with a decrease in the outstanding number of shares of our common stock.

In September 2018 the Company announced the commencement of the Tender Offer. During the Tender Offer the Company repurchased an aggregate of 752,234 shares at a price of $34.00 per share aggregating $25,575,956. These shares represented approximately 9.2% of the total number of shares of the Company's common stock issued and outstanding as of October 2, 2018. While we have no plans to conduct another tender offer at this time, we may conduct another tender offer or engage in the repurchase of our shares in the future. Shareholders could be adversely affected by a reduction in our "public float," that is, the number of shares owned by outside shareholders and available for trading in the securities markets, if the Company makes future tender offers or private or open market repurchases of its shares. Although the Company is not currently pursuing a tender offer or repurchase program, there are no assurances that our Board of Directors will not authorize the Company to do so in the future. Engaging in a tender offer or repurchase program in the future could have a negative effect on our share price.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

As of September 30, 2020, Alico owned 99,760 acres of land located in eight counties in Florida. Acreage in each county and the primary classification with respect to the present use of these properties is shown in the following table:

	Total	Hendry	Polk	Collier	DeSoto	Glades	Charlotte	Hardee	Highlands
Alico Citrus:									
Citrus Groves	45,485	5,485	7,107	7,166	21,386	—	2,543	574	1,224
Citrus Nursery	22	—	—	—	22	—	—	—	—
Total Citrus Groves	45,507	5,485	7,107	7,166	21,408	—	2,543	574	1,224
Land Management and Other Operations	52,807	48,785	—	4,022	—	—	—	—	—
Mining	526	—	—	—	—	526	—	—	—
Other	920	920	—	—	—	—	—	—	—
Total	99,760	55,190	7,107	11,188	21,408	526	2,543	574	1,224

Approximately 51,300 acres of the properties listed are encumbered by credit agreements totaling approximately $151,000,000 as of September 30, 2020. For a more detailed description of the credit agreements and collateral please see Note 6. “Long-Term Debt and Lines of Credit” to the Company’s fiscal year 2020 consolidated financial statements.

The Company currently collects mining royalties on approximately 526 acres of the land included in the table above and located in Glades County, Florida. These royalties do not represent a significant portion of operating revenues or gross profits.

Item 3. Legal Proceedings

Florida Litigation

On November 16, 2018, 734 Agriculture, RCF 2014 Legacy LLC, Delta Offshore Master II, LTD. and Mr. Remy W. Trafelet (the “Trafelet Parties”), who was at the time the Company's President and Chief Executive Officer and a member of the Board of Directors, filed a lawsuit against Messrs. George R. Brokaw, Henry R. Slack, W. Andrew Krusen and Greg Eisner, members of the Board of Directors, in the Circuit Court (the “Circuit Court”) for Hillsborough County, Florida (the “Florida Litigation”). The Trafelet Parties sought, among other things, a declaration that (1) a purported stockholder action by written consent, delivered to the Company in the name of 734 Investors and the plaintiffs in the Florida Litigation on November 11, 2018 (the “Purported Consent”) was valid and binding, (2) the resolutions passed at a meeting of the Board of Directors on November 12, 2018, to, among other things, constitute an ad hoc committee of the Board of Directors to consider, evaluate and make any and all determinations, and to take any and all actions, on behalf of the Board of Directors, in connection with the Purported Consent were null and void and (3) the four defendants in the Florida Litigation were properly removed from the Board of Directors by the Purported Consent. On November 27, 2018, the Circuit Court denied without prejudice plaintiffs’ motion for a temporary restraining order and an affirmative injunction restoring Mr. Trafelet from administrative leave to active status in his capacity as President and CEO of the Company.

On November 28, 2018, the parties in the Florida Litigation stipulated to an order which provided that (1) the record date for the Purported Consent was stayed indefinitely, and (2) Mr. Trafelet and the Company’s Board of Directors should not take any action out of routine day-to-day operations conducted in the ordinary course of business, including any action to change the corporate governance of Alico or removing any corporate officers or directors from positions held as of November 27, 2018.

On December 6, 2018, the Trafelet Parties filed an amended complaint in the Florida Litigation which added the Company and Benjamin D. Fishman, a member of the Board of Directors, as defendants. On December 21, 2018, the Trafelet Parties filed a renewed motion for a preliminary injunction restoring Mr. Trafelet from administrative leave to active status in his capacity as President and CEO of the Company. On January 14, 2019, the defendants in the Florida Litigation filed an opposition to plaintiffs’ renewed motion for a preliminary injunction. On January 18, 2019, the defendants in the Florida Litigation filed a motion to dismiss the plaintiffs’ amended complaint.

On February 11, 2019, the parties to the Florida Litigation entered into a settlement agreement (the “Alico Settlement Agreement”) wherein the parties agreed to promptly dismiss all claims in the Florida Litigation. Pursuant to the Alico Settlement Agreement, Mr. Trafelet agreed to voluntarily resign as President and Chief Executive Officer and as a member of the Board of Directors, effective upon the execution of the Alico Settlement Agreement.

As contemplated by the Alico Settlement Agreement, on February 11, 2019, the Company entered into a consulting agreement (the "Consulting Agreement") with Mr. Trafelet and 3584 Inc., an entity controlled by Mr. Trafelet (the "Consultant"). Pursuant to the Consulting Agreement, Mr. Trafelet agreed to make himself available to provide consulting services to the Company through the Consultant for up to 24 months. In exchange for the consulting services, the Consultant is receiving an annual consulting fee of $400,000. If the Company terminates the consulting period (other than in certain specified circumstances), the Company will continue to pay the consulting fees described in the immediately preceding sentence through the balance of the 24-month term. As such, the Company recorded the $800,000 as expense in the quarter ended March 31, 2019.

In addition, on February 11, 2019, as contemplated by the Alico Settlement Agreement, the Company entered into a Registration Rights Agreement (the "Registration Rights Agreement") with Mr. Trafelet, relating to the shares of the Company's common stock directly held by the Trafelet Parties as of February 11, 2019 (the "Registrable Securities"). The Registration Rights Agreement required the Company to, among other things and subject to the terms and conditions thereof, use reasonable best efforts to file with the SEC a registration statement on Form S-3 covering the resale of the Registrable Securities. On October 10, 2019, Mr. Trafelet executed a waiver whereby he waived the S-3 Registration Rights but maintained all other rights arising under the Registration Rights Agreement and all rights arising under Section 14 of the Alico Settlement Agreement.

From time to time, Alico may be involved in litigation relating to claims arising out of its operations in the normal course of business. There are no other current legal proceedings to which the Company is a party or of which any of its property is subject that it believes will have a material adverse effect on its financial position, results of operations or cash flows.

Item 4. Mine Safety Disclosures

Not Applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Common Stock

Our common stock is traded on the Nasdaq Global Select Market under the symbol ALCO.

Holders

On December 4, 2020, our stock transfer records indicated there were 216 holders of record of our common stock. A greater number of holders of our common stock are “street name” or beneficial holders, whose shares are held by banks, brokers and other financial institutions.

Dividend Policy

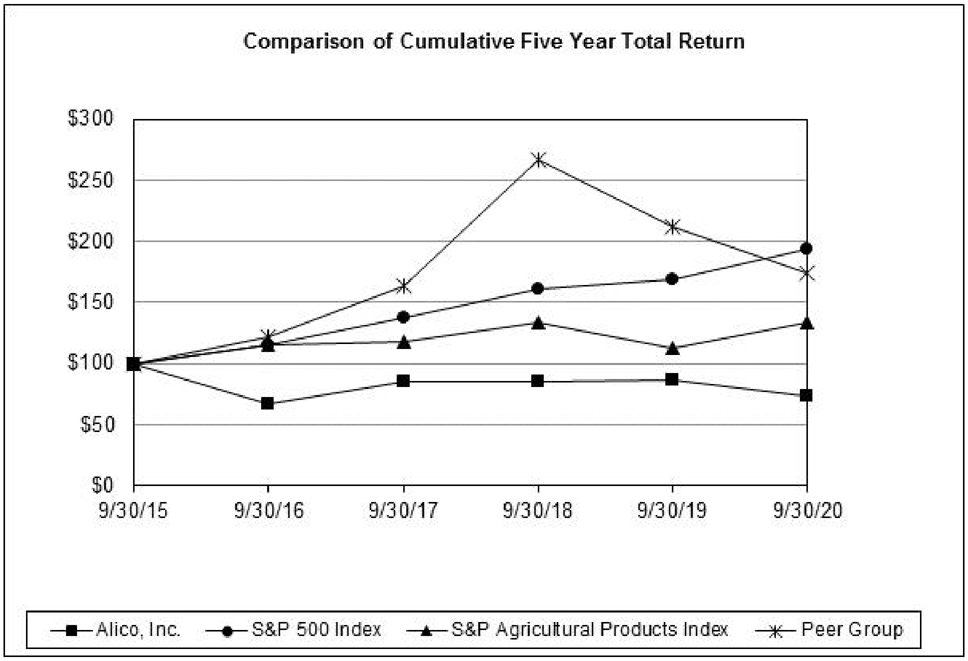
The declaration and amount of any actual cash dividend are in the sole discretion of our Board of Directors and are subject to numerous factors that ordinarily affect dividend policy, including the results of our operations and financial position, as well as general economic and business conditions.

The following table presents cash dividends per share of our common stock declared in fiscal years ended September 30, 2020, 2019 and 2018:

Declaration Date	Record Date	Payment Date	Per Common Share
November 6, 2017	December 29, 2017	January 16, 2018	$ 0.06
March 14, 2018	March 30, 2018	April 13, 2018	$ 0.06
June 11, 2018	June 29, 2018	July 13, 2018	$ 0.06
September 4, 2018	September 28, 2018	October 12, 2018	$ 0.06
December 14, 2018	December 28, 2018	January 11, 2019	$ 0.06
March 15, 2019	March 29, 2019	April 12, 2019	$ 0.06
June 14, 2019	June 28, 2019	July 12, 2019	$ 0.06
September 13, 2019	September 27, 2019	October 11, 2019	$ 0.06
December 5, 2019	December 27, 2019	January 10, 2020	$ 0.09
March 13, 2020	March 27, 2020	April 10, 2020	$ 0.09
June 11, 2020	June 26, 2020	July 10, 2020	$ 0.09
September 11, 2020	September 25, 2020	October 9, 2020	$ 0.09

Stock Performance Graph

The graph below represents our common stock performance, comparing the value of $100 invested on September 30, 2015 in our common stock, the S&P 500 Index, the S&P Agricultural Products Index and a Company-constructed peer group, which includes Forestar Group, Inc., Limoneira Company, The St. Joe Company, Tejon Ranch Co. and Texas Pacific Land Trust.



INDEXED RETURNS

Company Name / Index	Base Period Sept 15	Years Ending Sept 16	Sept 17	Sept 18	Sept 19	Sept 20
Alico, Inc.	100	66.71	85.51	85.29	86.54	73.67
S&P 500 Index	100	115.43	136.91	161.43	168.30	193.80
S&P Agricultural Products Index	100	115.30	118.08	133.04	112.52	133.78
Peer Group	100	121.43	163.75	267.21	212.60	173.86

(Includes reinvestment of dividends)

Recent Sale of Unregistered Securities

None.

Issuer Repurchases of Equity Securities

We adopted Rule 10b5-1 share repurchase plan under the Securities Exchange Act of 1934 (the "Plan") in connection with share repurchase authorizations. The Plan allows us to repurchase our shares of common stock at times when it otherwise might be prevented from doing so under insider trading laws or because of self-imposed trading blackout periods. Because repurchases under the Plan are subject to certain pricing parameters, there is no guarantee as to the exact number of common shares that will be repurchased under the Plan or that there will be any repurchases pursuant to the Plan.

Period	(a) Total number of shares (or units) purchased [1]	(b) Average price paid per share (or unit)	(c) Total number of shares (or units) purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs
10/01/2019 - 10/31/2019	7,000	$ 33.95	—	—
Total	7,000	$ 33.95	—	—

(1) On October 10, 2019, the Board of Directors authorized the repurchase of up to 7,000 shares of the Company's common stock from 734 Investors in a privately negotiated repurchase of shares. The Company entered into a repurchase agreement with 734 Investors to repurchase 7,000 shares of the Company's common stock on October 15, 2019.

Item 6. Selected Financial Data

The following tables present selected historical consolidated financial information as of and for each of the fiscal years in the five-year period ended September 30, 2020. The Consolidated Financial Statements as of and for the fiscal years ended September 30, 2020, 2019, 2018, 2017 and 2016.

The selected historical financial data presented below should be reviewed in conjunction with our Consolidated Financial Statements and the accompanying Notes thereto, included elsewhere in this Annual Report on Form 10-K.

(in thousands, except per share amounts)	September 30,				
	2020	2019	2018	2017	2016
Selected Statements of Operations Information:					
Operating revenues	$ 92,507	$ 122,251	$ 81,281	$ 129,829	$ 144,196
Income (loss) from operations	$ 6,921	$ 45,214	$ 10,535	$ (6,094)	$ 21,846
Net income (loss) attributable to common stockholders	$ 23,662	$ 37,833	$ 13,050	$ (9,451)	$ 6,993
Basic earnings (loss) per common share	$ 3.16	$ 5.06	$ 1.59	$ (1.14)	$ 0.84
Diluted earnings (loss) per common share	$ 3.16	$ 5.05	$ 1.57	$ (1.14)	$ 0.84
Cash dividends declared per common share	$ 0.36	$ 0.24	$ 0.24	$ 0.24	$ 0.24
Selected Balance Sheet Information:					
Cash and cash equivalents and restricted cash	$ 19,687	$ 23,838	$ 32,260	$ 3,395	$ 6,625
Property and equipment, net	$ 350,061	$ 345,648	$ 340,403	$ 349,337	$ 379,247
Total assets	$ 423,937	$ 417,388	$ 423,422	$ 419,182	$ 455,445
Current portion of long-term debt	$ 9,145	$ 5,338	$ 5,275	$ 4,550	$ 4,493
Long-term debt, net of current portion	$ 139,106	$ 158,111	$ 169,074	$ 181,926	$ 192,726
Total Alico, Inc. stockholders' equity	$ 216,341	$ 194,303	$ 172,117	$ 160,641	$ 173,490
Noncontrolling interest	$ 5,441	$ 5,095	$ 5,478	$ 4,728	$ 4,773

For the fiscal year ended September 30, 2016, net income includes the gain on sale of assets of approximately $618,000 related to the sale of real estate and approximately $9,893,000 of interest expense.

For the fiscal year ended September 30, 2017, net loss includes inventory casualty loss and net realizable adjustment of approximately $14,688,000 as a result of Hurricane Irma, additional asset impairments of long-lived assets of approximately $9,346,000, and interest expense of approximately $9,141,000. The net loss was partially offset by a gain on sale of assets of approximately $2,181,000.

For the fiscal year ended September 30, 2018, net income includes the gain on sale of assets of approximately $11,041,000 related to the sale of real estate, property and equipment and assets held for sale, and insurance proceeds received in the amount of approximately $9,429,000 relating to damages from Hurricane Irma. Net income also includes a one-time non-cash deferred income tax benefit of approximately $9,847,000, which resulted from the remeasurement of the Company's net deferred tax liabilities due to the 21% corporate tax rate that was enacted December 22, 2017, and the expiration of a capital loss carryforward, which expired at September 30, 2018, of approximately $5,634,000, resulting in an additional income tax expense. Additionally, net income includes approximately $8,561,000 of interest expense and $3,349,000 of impairments relating to net realizable adjustment on inventory and long-lived assets.

For the fiscal year ended September 30, 2019, net income includes a gain on sale of assets of approximately $13,166,000 related to the sale of real estate, property and equipment and assets held for sale. Net income also includes insurance proceeds received of approximately $486,000 in additional property and casualty claims reimbursement relating to Hurricane Irma and federal relief proceeds of approximately $15,597,000 under the Florida Citrus Recovery Block Grant ("CRBG") program relating to Hurricane Irma. Additionally, net income includes approximately $7,180,000 of interest expense and $1,204,000 relating to net realizable adjustment on inventory and impairments of long-lived assets.

For the fiscal year ended September 30, 2020, net income includes a gain on sale of assets of approximately $30,424,000 related to the sale of real estate, property and equipment and assets held for sale. Net income also includes federal relief proceeds of approximately $4,629,000 under the Florida CRBG program relating to Hurricane Irma. Additionally, net income includes approximately $5,981,000 of interest expense and $1,321,000 relating to impairments of long-lived assets.

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

The following discussion and analysis should be read in conjunction with the accompanying Consolidated Financial Statements and related Notes thereto.

Cautionary Statement Regarding Forward-Looking Information

We provide forward-looking information in this Annual Report on Form 10-K, particularly in this Management's Discussion and Analysis of Financial Condition and Results of Operations, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Any statements in this Annual Report on Form 10-K that are not historical facts are forward-looking statements. Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions. These statements are based on our current expectations, estimates and projections about our business based, in part, on assumptions made by our management and can be identified by terms such as "plans," "expect," "may," "anticipate," "intend," "should be," "will be" "is likely to," "believes," and similar expressions referring to future periods. Alico believes the expectations reflected in the forward-looking statements are reasonable but cannot guarantee future results, level of activity, performance or achievements. Actual results may differ materially from those expressed or implied in the forward-looking statements. Therefore, Alico cautions you against relying on any of these forward-looking statements. Factors which may cause future outcomes to differ materially from those foreseen in forward-looking statements include, but are not limited to: changes in laws, regulation and rules; weather conditions that affect production, transportation, storage, demand, import and export of fresh product and their by-products; increased pressure from diseases including citrus greening and citrus canker, as well as insects and other pests; disruption of water supplies or changes in water allocations; market pricing of citrus; pricing and supply of raw materials and products; market responses to industry volume pressures; pricing and supply of energy; changes in interest rates; availability of financing for land development activities and other growth and corporate opportunities; onetime events; acquisitions and divestitures; seasonality; labor disruptions; inability to pay debt obligations; inability to engage in certain transactions due to restrictive covenants in debt instruments; government restrictions on land use; changes in agricultural land values; impact of the COVID-19 outbreak and coronavirus pandemic on our agriculture operations, including without limitation demand for product, supply chain, health and availability of our labor force, the labor force of contractors we engage, and the labor force of our competitors; other risks related to the duration and severity of the COVID-19 outbreak and coronavirus pandemic and its impact on Alico's business; the impact of the COVID-19 outbreak and coronavirus pandemic on the U.S. and global economies and financial markets; access to governmental loans and incentives; any reduction in the public float resulting from repurchases of common stock by Alico; changes in equity awards to employees; whether the Company's dividend policy, including its recent increased dividend amounts, is continued; expressed desire of certain of our shareholders to liquidate their shareholdings by virtue of past market sales of common stock, by sales of common stock or by way of future transactions; political changes and economic crises; competitive actions by other companies; increased competition from international companies; changes in environmental regulations and their impact on farming practices; the land ownership policies of governments; changes in government farm programs and policies and international reaction to such programs; changes in pricing calculations with our customers; fluctuations in the value of the U.S. dollar, interest rates, inflation and deflation rates; length of terms of contracts with customers; and changes in and effects of crop insurance programs, global trade agreements, trade restrictions and tariffs; and soil conditions, harvest yields, prices for commodities, and crop production expenses. These forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those Risks Factors included in Part I, Item 1A and elsewhere in this Annual Report on Form 10-K.

Introduction

Alico, Inc. ("Alico"), together with its subsidiaries (collectively, the "Company", "we", "us" or "our"), is a holding company with assets and related operations in agriculture, land management and natural resources. We are a Florida agribusiness and land management company with a legacy of achievement and innovation in citrus, cattle and resource conservation. We own approximately 100,000 acres of land in eight Florida counties, holding mineral rights on approximately 90,000 of those owned acres. Our principal lines of business are now citrus groves and land management and other operations, which include land conservation, encompassing environmental services, land leasing and related support operations. Prior to the sale of certain ranch land to the State of Florida in September 2020, the Company's business line also included Water Resources. Prior to the sale of our breeding herd in January 2018, the Company's business line also included cattle ranching. Our mission is to create value for our customers and shareholders by managing existing lands to their optimal current income and total returns. Alico opportunistically acquires new agricultural assets and produces high quality agricultural products while exercising responsible environmental stewardship. Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help provide an understanding of results of operations, financial condition and changes in financial condition for the periods presented. This MD&A is organized as follows:

- **Business Overview.** This section provides a general description of our business, as well as other matters that we believe are important in understanding our results of operations and financial condition.

- **Consolidated Results of Operations.** This section provides an analysis of our results of operations for each of the three fiscal years ended September 30, 2020. Our discussion is presented on a consolidated basis and includes discussion on future trends by segment.

- **Liquidity and Capital Resources.** This section provides an analysis of our cash flows for each of the three fiscal years ended September 30, 2020 and our outstanding debt, commitments and cash resources as of September 30, 2020.

- **Critical Accounting Policies.** This section identifies those accounting policies that we consider important to our results of operations and financial condition, require significant judgment and involve significant management estimates. Our significant accounting policies, including those considered to be critical accounting policies, are summarized in Note 2, "Summary of Significant Accounting Policies," to the accompanying Consolidated Financial Statements.

Business Overview

Business Description

Alico, Inc., together with its subsidiaries (collectively, "Alico", the "Company", "we", "us" or "our") generates operating revenues primarily from the sale of its citrus products and grazing and hunting leasing. The Company operates as two business segments and all of its operating revenues are generated in the United States. For the fiscal year ended September 30, 2020, the Company generated operating revenues of approximately $92,507,000, income from operations of approximately $6,921,000, and net income attributable to common stockholders of approximately $23,662,000. Cash provided by operating activities was approximately $1,049,000 for the fiscal year ended September 30, 2020.

Fiscal Year Highlights and Other Developments

The COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the current novel coronavirus outbreak ("COVID-19") to be a global pandemic. In response to this declaration and the rapid spread of COVID-19 within the United States, federal, state and local governments throughout the country have imposed varying degrees of restrictions on social and commercial activity to promote social distancing in an effort to slow the spread of the illness. These measures have had a significant adverse impact upon many sectors of the economy, including certain agriculture businesses.

During March 2020, as a precautionary measure to ensure financial flexibility and maintain maximum liquidity in response to the COVID-19 pandemic, the Company implemented several measures that we believe would help ensure sufficient liquidity for the next several months, including drawing down an aggregate of $70,000,000 on its revolving credit facilities. This decision was made to safeguard the Company's liquidity and to increase available cash on hand in the event that a more protracted COVID-19 outbreak were to put a significant strain on the financial institutions and their ability to loan funds. As of September 30, 2020, the Company, believing that despite the protracted COVID-19 outbreak, the financial institutions industry was experiencing less negative impact from the outbreak than originally expected, proceeded to pay down the majority of the amounts drawn under its revolving credit facilities.

Additionally, for the protection of our employees per the Centers For Disease Control and Prevention (CDC) guidelines, the Company arranged to have the majority of office personnel work remotely, has taken steps to allow and encourage greater separation for our employed and contracted field workers and has worked with its harvesters, haulers and suppliers to minimize interactions. The Company continues to assess the situation on a routine basis.

To date, the Company has experienced no material adverse impacts from this pandemic.

Citrus Grove Management Agreement

On July 16, 2020, the Company executed an agreement with an affiliated group of third parties to provide citrus grove caretaking and harvest and haul management services for approximately 7,000 acres owned by such third parties. Pursuant to this agreement, the Company is to be reimbursed by the third parties for all of its costs incurred related to providing these services and also is to receive a management fee based on acres covered under this agreement.

Agreements with Tropicana

On each of May 18, 2020 and May 20, 2020, the Company entered into a new agreement to supply Tropicana, its largest customer, with citrus fruit. These new agreements are effective October 1, 2020, conclude on July 31, 2024, and succeed an existing agreement that expired at the end of September 2020.

Federal Relief Program

The Company is eligible for Hurricane Irma federal relief programs for block grants that are being administered through the State of Florida. During the fiscal year ended September 30, 2020 and 2019, the Company received approximately $4,629,000 and $15,597,000, respectively, under the Florida Citrus Recovery Block Grant (“CRBG”) program. This represents the Part 1 and Part 2 reimbursement under a three-part program. The timing and amount to be received under Part 3 of the program, if any, has not been finalized.

Distribution of Shares by 734 Investors

On November 14, 2019, 734 Investors filed a Form 4 and an amendment to Schedule 13D with the SEC disclosing that on November 12, 2019, it distributed all of its shares of Company common stock previously held by it, consisting of 3,173,405 shares, on a pro rata basis, to its members. Prior to such distribution, 734 Investors was the Company’s largest shareholder.

Employee and Board of Directors Matters

On August 6, 2020, the Board of Directors increased the number of its directors by two and appointed Mr. Adam Putnam and Ms. Kate English as directors, each to serve until the 2021 annual meeting of the Company’s shareholders or until his or her earlier death, resignation, or removal in accordance with the Amended and Restated Bylaws of the Company.

In December 2019, Mr. George R. Brokaw, the then Executive Vice Chairman, informed the Board of Directors that he would voluntarily step down as Executive Vice Chairman effective December 31, 2019 and that change has taken effect. After the effectiveness of this change, Mr. Brokaw has remained a member of the Board of Directors.

Effective February 27, 2020 (which was immediately after the 2020 Annual Meeting of Shareholders), by way of action that has been taken by and at the direction of the Board of Directors, Benjamin D. Fishman, the non-employee Executive Chairman, became the Chairman of the Board. Mr. Fishman has remained a non-employee director.

Condensed Consolidated Results of Operations

The following discussion provides an analysis of Alico's results of operations and should be read in conjunction with the accompanying Consolidated Statements of Operations for the fiscal years ended September 30, 2020, 2019 and 2018:

(in thousands)	Fiscal Year Ended September 30,		Change		Fiscal Year Ended September 30,		Change	
	2020	2019	$	%	2019	2018	$	%
Operating revenues:								
Alico Citrus	$ 89,369	$ 119,031	$ (29,662)	(24.9)%	$ 119,031	$ 78,121	$ 40,910	52.4%
Land Management and Other Operations	3,138	3,220	(82)	(2.5)%	3,220	3,160	60	1.9%
Total operating revenues	92,507	122,251	(29,744)	(24.3)%	122,251	81,281	40,970	50.4%
Gross profit (loss):								
Alico Citrus	17,088	59,437	(42,349)	(71.3)%	59,437	26,412	33,025	125.0%
Land Management and Other Operations	831	923	(92)	(10.0)%	923	(819)	1,742	NM
Total gross profit	17,919	60,360	(42,441)	(70.3)%	60,360	25,593	34,767	135.8%
General and administrative expenses	10,998	15,146	(4,148)	(27.4)%	15,146	15,058	88	0.6%
Income from operations	6,921	45,214	(38,293)	(84.7)%	45,214	10,535	34,679	NM
Total other income, net	24,456	5,019	19,437	NM	5,019	2,655	2,364	89.0%
Income before income taxes	31,377	50,233	(18,856)	(37.5)%	50,233	13,190	37,043	NM
Income tax provision	7,663	12,783	(5,120)	(40.1)%	12,783	390	12,393	NM
Net income	23,714	37,450	(13,736)	(36.7)%	37,450	12,800	24,650	192.6%
Net (income) loss attributable to noncontrolling interests	(52)	383	(435)	NM	383	250	133	53.2%
Net income attributable to Alico, Inc. common stockholders	$ 23,662	$ 37,833	$ (14,171)	(37.5)%	$ 37,833	$ 13,050	$ 24,783	189.9%

NM - Not meaningful

The following table presents our operating revenues, by segment, as a percentage of total operating revenues for the fiscal years ended September 30, 2020, 2019 and 2018:

	Fiscal Year Ended September 30,		
	2020	2019	2018
Operating revenues:			
Alico Citrus	96.6%	97.4%	96.1%
Land Management and Other Operations	3.4%	2.6%	3.9%
Total operating revenues	100.0%	100.0%	100.0%

The following discussion provides an analysis of the Company's operating segments:

Alico Citrus

(in thousands, except per box and per pound solids data)

	Fiscal Year Ended September 30,		Change		Fiscal Year Ended September 30,		Change	
	2020	2019	Unit	%	2019	2018	Unit	%
Operating Revenues:								
Early and Mid-Season	$ 31,303	$ 39,574	$ (8,271)	(20.9)%	$ 39,574	$ 24,309	$ 15,265	62.8%
Valencias	50,060	73,480	(23,420)	(31.9)%	73,480	48,865	24,615	50.4%
Fresh Fruit	2,321	3,629	(1,308)	(36.0)%	3,629	2,054	1,575	76.7%
Grove Management Services	4,599	1,342	3,257	NM	1,342	1,808	(466)	(25.8)%
Purchase and Resale of Fruit	850	943	(93)	(9.9)%	943	809	134	16.6%
Other	236	63	173	NM	63	276	(213)	(77.2)%
Total	$ 89,369	$ 119,031	$ (29,662)	(24.9)%	$ 119,031	$ 78,121	$ 40,910	52.4%
Boxes Harvested:								
Early and Mid-Season	3,146	3,114	32	1.0%	3,114	1,811	1,303	71.9%
Valencias	4,165	4,790	(625)	(13.0)%	4,790	2,891	1,899	65.7%
Total Processed	7,311	7,904	(593)	(7.5)%	7,904	4,702	3,202	68.1%
Fresh Fruit	267	210	57	27.1%	210	125	85	68.0%
Total	7,578	8,114	(536)	(6.6)%	8,114	4,827	3,287	68.1%
Pound Solids Produced:								
Early and Mid- Season	17,947	16,873	1,074	6.4%	16,873	9,194	7,679	83.5%
Valencias	25,631	29,854	(4,223)	(14.1)%	29,854	17,319	12,535	72.4%
Total	43,578	46,727	(3,149)	(6.7)%	46,727	26,513	20,214	76.2%
Pound Solids per Box:								
Early and Mid-Season	5.70	5.42	0.28	5.2%	5.42	5.07	0.35	6.9%
Valencias	6.15	6.23	(0.08)	(1.3)%	6.23	5.99	0.24	4.0%
Price per Pound Solids:								
Early and Mid-Season	$ 1.74	$ 2.35	$ (0.61)	(26.0)%	$ 2.35	$ 2.64	$ (0.29)	(11.0)%
Valencias	$ 1.95	$ 2.46	$ (0.51)	(20.7)%	$ 2.46	$ 2.82	$ (0.36)	(12.8)%
Price per Box:								
Fresh Fruit	$ 8.69	$ 17.28	$ (8.59)	(49.7)%	$ 17.28	$ 16.43	$ 0.85	5.2%
Operating Expenses:								
Cost of Sales	$ 52,492	$ 52,037	$ 455	0.9%	$ 52,037	$ 46,477	$ 5,560	12.0%
Harvesting and Hauling	19,897	22,079	(2,182)	(9.9)%	22,079	12,821	9,258	72.2%
Grove Management Services	3,817	774	3,043	NM	774	1,177	(403)	(34.2)%
Purchase and Resale of Fruit	704	788	(84)	(10.7)%	788	662	126	19.0%
Other	(4,629)	(16,084)	11,455	(71.2)%	(16,084)	(9,428)	(6,656)	70.6%
Total	$ 72,281	$ 59,594	$ 12,687	21.3%	$ 59,594	$ 51,709	$ 7,885	15.2%
Gross Profit	$ 17,088	$ 59,437	$ (42,349)	(71.3)%	$ 59,437	$ 26,412	$ 33,025	125.0%

NM - Not meaningful

Our citrus groves produce the majority of our annual operating revenues and the citrus grove business is seasonal because it is tied to the growing and harvest season. Historically, the second and third quarters of Alico's fiscal year produce the majority of the annual revenues and working capital requirements are typically greater in the first and fourth quarters of the fiscal year, coinciding with the growing cycles.

The Company sells its Early and Mid-Season and Valencia oranges to processors that convert the majority of the citrus crop into orange juice. They generally buy the citrus on a pound solids basis, which is the measure of the soluble solids (sugars and acids) contained in one box of fruit. Fresh fruit is generally sold to packing houses that purchase the citrus on a per box basis. Other revenues consist of third-party grove caretaking and the purchase and reselling of fruit.

Alico's operating expenses consist primarily of cost of sales and harvesting and hauling costs. Cost of sales represents the cost of maintaining the citrus groves for the preceding calendar year and does not vary in relation to production. Harvesting and hauling costs represent the costs of bringing citrus product to processors and varies based upon the number of boxes produced. Other expenses include the period costs of third-party grove caretaking and the purchase and reselling of fruit.

The decrease in revenue for the fiscal year ended September 30, 2020, compared to the fiscal year ended September 30, 2019 was due to a decrease in the price per pound solids as well as a decrease in aggregate processed box production. The decrease in the price per pound solids in the market place was a result of excess supply from domestic and international growers. The decrease in aggregate processed box production was the result of greater fruit drop and smaller fruit size of Valencias in the current harvest season as compared to the prior harvest season, offset in part by an increase in processed box production of the Early and Mid-season fruit.

As previously disclosed, the Company anticipated a reduction in the market prices throughout the 2019-20 harvest season as a result of the excess supply from domestic and international growers. However, due to an increase in the consumption of Not from Concentrate Orange Juice ("NFC"), as indicated in the published Nielsen data, since March 2020, inventory levels have decreased and, as a result, the Company anticipates that market pricing will improve in the 2020-21 harvest season.

The Company completed its harvest season in the middle of May 2020 and was able to complete the harvest without any negative impact from the COVID-19 pandemic.

The increase in revenues for the fiscal year ended September 30, 2019, compared to the fiscal year ended September 30, 2018, was primarily related to the negative impact of Hurricane Irma on the prior fiscal year harvest. As a result of Hurricane Irma, which occurred in September 2017, the Company experienced a greater amount of fruit drop and consequently harvested approximately 3,202,000 fewer boxes in fiscal year 2018, as compared to fiscal year 2019. The Company also saw an overall increase in pound solids per box in fiscal year 2019, which was 5.91 as compared to 5.64 for fiscal year 2018. In addition, the increase in revenue, to a smaller extent, was due to a greater number of boxes of fresh fruit being sold in fiscal year 2019.

Total processed boxes harvested in fiscal year 2020 decreased by approximately 7.5%, as compared to fiscal year 2019. Pound solids increased by approximately 6.4% and decreased by approximately 14.1% for the Early and Mid-Season and Valencia oranges, respectively. The combination of these items resulted in approximately 3,149,000 fewer pound solids sold in fiscal year 2020, as compared to fiscal year 2019.

Total processed boxes harvested in fiscal year 2019 increased by approximately 68.1%, as compared to fiscal year 2018. Pound solids increased by approximately 6.9% and approximately 4.0% for the Early and Mid-Season and Valencia oranges, respectively. The combination of these items resulted in approximately 20,214,000 of additional pound solids sold in fiscal year 2019, as compared to fiscal year 2018.

The USDA, in its November 10, 2020 Citrus Crop Forecast for the 2020-21 harvest season, indicated its expectation that the Florida orange crop will decrease from approximately 67,300,000 boxes for the 2019-20 crop year to approximately 57,000,000 boxes for the 2020-21 crop year, a decrease of approximately 15.3%. As production is estimated to be lower than in the prior year, the Company anticipates there will be an increase in market prices in the 2020-21 harvest season primarily driven by an increase in demand for NFC orange juice, which will more than offset the negative impact from the estimated decline in production.

The increase in operating expenses for the fiscal year 2020, as compared to the fiscal year 2019, primarily relates to the Company receiving less federal relief proceeds through the Florida CRBG program relating to Hurricane Irma, which are recorded as a reduction of operating expenses, during fiscal year 2020, as compared to fiscal year 2019. The Company received proceeds of approximately $4,629,000 and $15,597,000 through the Florida CRBG program relating to Hurricane Irma during the fiscal years ended September 30, 2020 and 2019, respectively. Additionally, the Company recorded additional grove management services expense of approximately $3.0 million. Partially offsetting this decrease in operating expenses was a reduction in harvesting and hauling costs experienced by the Company as a result of fewer processed boxes being harvested during the fiscal year ended September 30, 2020 as compared to the same period in the prior year.

On July 16, 2020, the Company executed an agreement with an affiliated group of third parties to provide citrus grove caretaking and harvest and haul management services for approximately 7,000 acres owned by such third parties. Under the terms of this agreement, the Company is to be reimbursed by the third parties for all of its costs incurred related to providing these services and also is to receive a management fee based on acres covered under this agreement. As the Company provides these citrus grove caretaking management services, the Company will be recording both an increase in revenues and expenses. For the fourth quarter ended September 30, 2020, the Company recorded approximately $3,300,000 of operating revenue, including the management fee, and approximately $3,000,000 of operating expenses relating to this arrangement.

Land Management and Other Operations

The table below presents key operating measures for the fiscal years ended September 30, 2020, 2019 and 2018:

(in thousands)	Fiscal Year Ended September 30,		Change		Fiscal Year Ended September 30,		Change	
	2020	2019	$	%	2019	2018	$	%
Revenue From:								
Land and other leasing	$ 2,683	$ 2,787	$ (104)	(3.7)%	$ 2,787	$ 2,595	$ 192	7.4%
Sale of calves and culls	—	—	—	NM	—	57	(57)	(100.0)%
Other	455	433	22	5.1%	433	508	(75)	(14.8)%
Total	$ 3,138	$ 3,220	$ (82)	(2.5)%	$ 3,220	$ 3,160	$ 60	1.9%
Operating Expenses:								
Land and other leasing	$ 955	$ 1,047	$ (92)	(8.8)%	$ 1,047	$ 1,072	$ (25)	(2.3)%
Cost of calves sold	—	—	—	NM	—	1,075	(1,075)	(100.0)%
Water conservation	1,346	1,206	140	11.6%	1,206	1,619	(413)	(25.5)%
Other	6	44	(38)	(86.4)%	44	213	(169)	(79.3)%
Total	$ 2,307	$ 2,297	$ 10	0.4%	$ 2,297	$ 3,979	$ (1,682)	(42.3)%
Gross Profit (loss)	$ 831	$ 923	$ (92)	(10.0)%	$ 923	$ (819)	$ 1,742	NM

NM - Not meaningful

Land and other leasing include lease income from leases for grazing rights, hunting leases, a farm lease, a lease to a third party of an aggregate mine, leases of oil extraction rights to third parties, and other miscellaneous income.

The slight decrease in revenues from Land Management and Other Operations for the fiscal year ended September 30, 2020 is primarily due to a reduction in the leased acreage relating to a cattle grazing lease. The reduction in the leased acreage was due to certain acres, which were included under this lease arrangement, having been sold in September 2019.

On September 11, 2020, the Company sold approximately 10,700 acres on the western part of Alico Ranch to the State of Florida. Because the acres involved in the sale would have been critical to our planned dispersed water storage project, the Company has decided to no longer pursue permit approval activities for this particular project. As a result of this decision, the Company wrote-down approximately $598,000 of assets relating to this project during the fourth quarter of the fiscal year ended September 30, 2020. The Company anticipates that it will have no further expenses incurred relating to the dispersed water storage project moving forward.

The slight increase in revenues from Land Management and Other Operations for the fiscal year ended September 30, 2019 is primarily due to the Company recording a full year of grazing lease revenue in fiscal year 2019, while only recording nine months of revenue as the lease for these grazing rights was executed on January 8, 2018, at the time of the sale of the cattle herd. Partially offsetting this increase was a decrease in farm lease revenue as a result of a lease not being renewed in fiscal year 2019.

General and Administrative

General and administrative expenses for the fiscal year ended September 30, 2020 was approximately $10,998,000, compared to approximately $15,146,000 for the fiscal year ended September 30, 2019.

The decrease in general and administrative expenses for the fiscal year ended September 30, 2020, as compared to the fiscal year ended September 30, 2019, was primarily due to professional fees, relating to a corporate litigation matter, of approximately $2,300,000 being incurred for the fiscal year ended September 30, 2019. This litigation was settled and no further expenses were incurred relating to this matter during the fiscal year ended September 30, 2020. Additionally, as part of this settlement, the Company recorded consulting and separation fees of $800,000 during the fiscal year ended September 30, 2019. The Company also experienced a reduction due to (i) a one-time pension expense related to its deferred retirement benefit plan of approximately $965,000 in fiscal year 2019, (ii) a reduction in payroll expenses for the fiscal year ended September 30, 2020 of approximately $331,000 relating to one of the senior managers resigning in December 2019 and a reduction in bonuses granted to senior management, (iii) a decrease in stock compensation expense of approximately $204,000 as a result of certain stock options expense being accelerated in fiscal year ended September 30, 2020 and (iv) other smaller decreases in rent, consulting and Board of Director fees aggregating approximately $445,000. Partially offsetting these decreases was a lower amount of stock compensation expense of $823,000 recognized in fiscal year ended September 30, 2019 as a result of a former senior executive forfeiting his stock options as part of the settled litigation and an increase in Directors and Officers insurance of approximately $247,000.

The slight increase in general and administrative expenses for the fiscal year ended September 30, 2019, as compared to the fiscal year ended September 30, 2018, was primarily due to an increase in professional fees, relating to a corporate litigation matter, of approximately $2,300,000 during the fiscal year ended September 30, 2019. This litigation has been resolved with a settlement being reached on February 11, 2019. The Company does not anticipate further professional fees relating to this litigation. Additionally, as part of this settlement, the Company recorded consulting and separation fees of $800,000 during the fiscal year ended September 30, 2019. The Company also recorded a one-time pension expense related to its deferred retirement benefit plan of approximately $965,000 in fiscal year 2019. Partially offsetting these increases were decreases in expenses due to (i) a reduction in stock compensation expense of $823,000 as a result of a former senior executive forfeiting his stock options as part of the settled litigation, (ii) a reduction in rent expense of approximately $450,000 as a result of the Company not renewing its lease for office space in New York City, (iii) an acceleration of stock compensation expense in fiscal year 2018 of approximately $782,000 as a result of two senior executives forfeiting a portion of their stock options, and (iv) a reduction in payroll costs of approximately $1,261,000. The reduction in payroll costs was primarily from (i) a reduction in separation expenses of approximately $388,000; (ii) a reduction in accrual for paid-time-off of approximately $100,000; and (iii) a reduction in executive compensation expense of approximately $725,000 relating to the resignation of a former senior executive.

Other Income, net

Other income, net, for the fiscal years ended September 30, 2020 and 2019 was approximately $24,456,000 and approximately $5,019,000, respectively. The increase in other income, net was primarily due to the Company recording a higher gain on sale of real estate, property and equipment and assets held for sale in fiscal year 2020, as compared to fiscal year 2019. In fiscal year 2020, the Company recorded a gain of approximately $30,424,000, which was generated primarily from the sale of land on its West Ranch in September 2020 to the State of Florida. For the fiscal year ended September 30, 2019, the Company recorded a gain of approximately $13,166,000, which was generated primarily for the sale of land on its West Ranch in September 2019. Additionally, the Company recognized a reduction of approximately $1,199,000 in interest expense in fiscal year 2020 as a result of (i) the reduction of its long-term debt attributable to making its mandatory principal payments, (ii) the Company prepaying approximately $4,455,000 on its debt obligations and (iii) a reduction in interest rates.

Other income, net for the fiscal years ended September 30, 2019 and 2018 was approximately $5,019,000 and approximately $2,655,000, respectively. The increase in other income, net was primarily due to the Company recording a higher gain on sale of real estate, property and equipment and assets held for sale in fiscal year 2019, as compared to fiscal year 2018. In fiscal year 2019, the Company recorded a gain of approximately $13,166,000, which was generated primarily for the sale of land on its West Ranch in September 2019. For the fiscal year ended September 30, 2018, the Company recorded a gain of $11,041,000 on the sale of real estate, property and equipment and assets held for sale, which included its corporate office building in Fort Myers, Florida, its Gal Hog property and a land parcel within its East Ranch resulting in gains of approximately $1,751,000, $6,709,000 and $1,759,000, respectively. Additionally, the Company incurred less interest expense of approximately $1,381,000 in fiscal year 2019, as compared to fiscal year 2018, primarily due to the Company recording imputed interest expense during the fiscal year ended September 30, 2018 relating to its Sugarcane transaction, which was terminated in fiscal year 2019.

Income Taxes

For the fiscal years ended September 30, 2020, 2019 and 2018, the provision for income taxes was approximately $7,663,000, $12,783,000 and $390,000, respectively, and the related effective income tax rates were approximately 24.50%, 25.45% and 2.96%, respectively. The change in the tax provision for the fiscal year ended September 30, 2020 is the result of the Company generating less net income during the current fiscal year as compared to the prior fiscal year.

The change in the tax provision for the fiscal year ended September 30, 2019 was the result of the Company generating greater net income during fiscal year 2019, as compared to the prior fiscal year. Additionally, a one-time non-cash deferred income tax benefit of approximately $9,847,000 was recorded in fiscal year 2018 which resulted from the remeasurement of the Company's net deferred tax liabilities due to the 21% corporate tax rate that was enacted December 22, 2017, and an effect of the expiration of its capital loss carryforward, which expired at September 30, 2018, of approximately $5,634,000 which was recorded in fiscal year 2018, thus resulting in an additional income tax expense.

Seasonality

The Company is primarily engaged in the production of fruit for sale to citrus markets, which is of a seasonal nature, and subject to the influence of natural phenomena and wide price fluctuations. Historically, the second and third quarters of Alico's fiscal year produce the majority of the Company's annual revenue. Working capital requirements are typically greater in the first and fourth quarters of the fiscal year, coinciding with harvesting cycles. Because of the seasonality of the business, results for any quarter are not necessarily indicative of the results that may be achieved for the full fiscal year.

Liquidity and Capital Resources

A comparative balance sheet summary is presented in the following table:

(in thousands)	September 30, 2020	September 30, 2019	Change
Cash and cash equivalents and restricted cash	$ 19,687	$ 23,838	$ (4,151)
Total current assets	$ 51,899	$ 61,977	$ (10,078)
Total current liabilities	$ 21,158	$ 28,951	$ (7,793)
Working capital	$ 30,741	$ 33,026	$ (2,285)
Total assets	$ 423,937	$ 417,388	$ 6,549
Principal amount of term loans and lines of credit	$ 148,251	$ 163,449	$ (15,198)
Current ratio	2.45 to 1	2.14 to 1	

Alico's business has historically generated positive net cash flows from operating activities. Sources of cash primarily include cash flows from operations, sales of under-performing land and other assets, amounts available under the Company's credit facilities and access to capital markets. Access to additional borrowings under revolving lines of credit is subject to the satisfaction of customary borrowing conditions. As a public company, Alico may have access to other sources of capital. However, access to, and availability of, financing on acceptable terms in the future will be affected by many factors, including (i) financial condition, prospects and credit rating, (ii) liquidity of the overall capital markets and (iii) the state of the economy. There can be no assurance that the Company will continue to have access to the capital markets on acceptable terms, or at all.

The principal uses of cash that affect Alico's liquidity position include the following: operating expenses including employee costs, the cost of maintaining the citrus groves, harvesting and hauling of citrus products, capital expenditures, stock repurchases, dividends, debt service costs including interest and principal payments on term loans and other credit facilities and acquisitions.

Management believes that a combination of cash-on-hand, cash generated from operations, asset sales and availability under the Company's lines of credit will provide sufficient liquidity to service the principal and interest payments on its indebtedness, and will satisfy working capital requirements and capital expenditures for at least the next twelve months and over the long term. Alico has a $70,000,000 working capital line of credit, of which approximately $66,659,000 is available for general use as of September 30, 2020, and a $25,000,000 revolving line of credit, all of which is available for general use as of September 30, 2020 (see Note 6. "Long-Term Debt and Lines of Credit" to the accompanying Consolidated Financial Statements). If the Company pursues significant growth and other corporate opportunities, it could have a material adverse impact on its cash balances, and may need to finance such activities by drawing down monies under its lines of credit or by obtaining additional debt or equity financing. There can be no assurance that additional financing will be available to the Company when needed or, if available, that it can be obtained on commercially reasonable terms. Any inability to obtain additional financing could impact Alico's ability to pursue different growth and other corporate opportunities.

The level of debt could have important consequences on Alico's business, including, but not limited to, increasing its vulnerability to general adverse economic and industry conditions, limiting the availability of cash flow to fund future investments, capital expenditures, working capital, business activities and other general corporate requirements, and limiting flexibility in planning for, or reacting to, changes in its business and industry.

Cash Management Impacts

Cash and cash equivalents and restricted cash decreased from approximately $23,838,000 as of September 30, 2019 to approximately $19,687,000 as of September 30, 2020. Cash and cash equivalents and restricted cash decreased from approximately $32,260,000 as of September 30, 2018 to approximately $23,838,000 as of September 30, 2019. The components of these changes are discussed below.

Consolidated Statements of Cash Flows

The following table details the items contributing to the changes in cash and cash equivalents and restricted cash for fiscal years ended September 30, 2020, 2019 and 2018:

(in thousands)	Fiscal Year Ended September 30,		
	2020	2019	2018
Net cash provided by operating activities	$ 1,049	$ 48,832	$ 18,578
Net cash provided by (used in) investing activities	9,489	(4,960)	22,924
Net cash used in financing activities	(14,689)	(52,294)	(12,637)
Net (decrease) increase in cash and cash equivalents and restricted cash	$ (4,151)	$ (8,422)	$ 28,865

Net Cash Provided By Operating Activities

(in thousands)	Fiscal Year Ended September 30,			Fiscal Year Ended September 30,		
	2020	2019	Change	2019	2018	Change
Net income	$ 23,714	$ 37,450	$ (13,736)	$ 37,450	$ 12,800	$ 24,650
Deferred gain on sale of sugarcane land	—	—	—	—	(967)	967
Depreciation, depletion and amortization	14,520	13,924	596	13,924	13,756	168
Deferred income tax expense (benefit)	7,603	3,267	4,336	3,267	(1,955)	5,222
Cash surrender value	(10)	11	(21)	11	(27)	38
Deferred retirement benefits	(5,226)	829	(6,055)	829	(41)	870
Gain on sale of real estate, property and equipment and assets held for sale	(30,424)	(13,166)	(17,258)	(13,166)	(10,281)	(2,885)
Inventory net realizable value adjustment	—	808	(808)	808	1,115	(307)
Loss on disposal of property and equipment	659	—	659	—	207	(207)
Change in fair value of derivatives	—	989	(989)	989	—	989
Impairment of long-lived assets	1,321	396	925	396	2,234	(1,838)
Impairment of right-of-use asset	87	—	87	—	—	—
Non-cash interest expense on deferred gain on sugarcane land	—	—	—	—	1,361	(1,361)
Insurance proceeds received for damage to property and equipment	—	(486)	486	(486)	(477)	(9)
Stock-based compensation expense	1,306	824	482	824	2,613	(1,789)
Other	—	—	—	—	29	(29)
Change in working capital	(12,501)	3,986	(16,487)	3,986	(1,789)	5,775
Net cash provided by operating activities	$ 1,049	$ 48,832	$ (47,783)	$ 48,832	$ 18,578	$ 30,254

The decrease in net cash provided by operating activities for the fiscal year ended September 30, 2020, as compared to the same period in fiscal year 2019, was primarily due to (i) an increase in gain on sale of real estate, property and equipment and assets held for sale in the fiscal year ended September 30, 2020, relating to the sale of certain sections of the West Ranch, (ii) a decrease in net income, which was primarily driven by decreased citrus sales, (iii) a decrease in the deferred retirement benefit as a result of the Company terminating its pension plan and paying all participants on August 30, 2020 and (iv) a decrease in working capital as a result of the payment of income taxes and an increase in accounts receivable related to the Company's grove management services whereby the Company pays all growing costs and then is reimbursed in the future from proceeds of fruit sales of the third-party.

The increase in net cash provided by operating activities for the fiscal year ended September 30, 2019, as compared to the same period in fiscal year 2018, was primarily due to (i) an increase in net income which was primarily driven by increased citrus sales and the receipt of federal disaster relief funds relating to Hurricane and (ii) an increase in working capital, which is due to a decrease in accounts receivable and an increase in income taxes payable.

Due to the seasonal nature of Alico's business, working capital requirements are typically greater in the first and fourth quarters of its fiscal year. Cash flows from operating activities typically improve in the second and third fiscal quarters, as sales of its harvested citrus are made.

Net Cash Provided By (Used In) Investing Activities

The following table details the items contributing to Net Cash Provided By (Used In) Investing Activities for the fiscal years ended September 30, 2020, 2019 and 2018:

(in thousands)	Fiscal Year Ended September 30, 2020	Fiscal Year Ended September 30, 2019	Change	Fiscal Year Ended September 30, 2019	Fiscal Year Ended September 30, 2018	Change
Purchases of property and equipment	$ (21,705)	$ (20,000)	$ (1,705)	$ (20,000)	$ (16,352)	$ (3,648)
Net proceeds from sale of real estate, property and equipment and assets held for sale	31,541	14,602	16,939	14,602	39,780	(25,178)
Insurance proceeds received for damage to property and equipment	—	486	(486)	486	477	9
Change in deposits on purchase of citrus trees	(458)	(108)	(350)	(108)	(431)	323
Advances on notes receivables, net	136	60	76	60	(575)	635
Other	(25)	—	(25)	—	25	(25)
Net cash provided by (used in) investing activities	$ 9,489	$ (4,960)	$ 14,449	$ (4,960)	$ 22,924	$ (27,884)

The shift from net cash used in investing activities for the fiscal year ended September 30, 2019 to net cash provided by investing activities for the fiscal year ended September 30, 2020 was primarily due to an increase in proceeds received on the sale of certain assets sold during fiscal year 2020, as compared to fiscal year 2019. This is due to the Company divesting of more acres of land in fiscal year 2020, as compared to fiscal year 2019 (see Note 4. “Assets Held for Sale” and Note 5. “Property & Equipment, Net” to the accompanying Consolidated Financial Statements).

The change from net cash provided by investing activities for the fiscal year ended September 30, 2018 to net cash used in investing activities for the fiscal year ended September 30, 2019 was primarily due to a decrease in proceeds received on the sale of certain assets sold during fiscal year 2019, as compared to fiscal year 2018. This is due to the Company divesting of several more assets in fiscal year 2018, as compared to fiscal year 2019 (see Note 4. “Assets Held for Sale” and Note 5. “Property & Equipment, Net” to the accompanying Consolidated Financial Statements). In addition, the shift, to a smaller extent, was due to an increase in capital expenditures which was driven by the purchase of certain land blocks within its existing grove location.

Net Cash Used In Financing Activities

The following table details the items contributing to Net Cash Used In Financing Activities for the fiscal years ended September 30, 2020, 2019 and 2018:

(in thousands)	Fiscal Year Ended September 30, 2020	Fiscal Year Ended September 30, 2019	Change	Fiscal Year Ended September 30, 2019	Fiscal Year Ended September 30, 2018	Change
Repayments on revolving lines of credit	$ (114,581)	$ (89,231)	$ (25,350)	$ (89,231)	$ (25,600)	$ (63,631)
Borrowings on revolving lines of credit	117,523	86,546	30,977	86,546	28,285	58,261
Principal payments on term loans	(15,198)	(10,900)	(4,298)	(10,900)	(12,127)	1,227
Treasury stock purchases	(238)	(25,576)	25,338	(25,576)	(2,215)	(23,361)
Payment on termination of sugarcane agreement	—	(11,300)	11,300	(11,300)	—	(11,300)
Deferred Financing costs	(23)	—	(23)	—	—	—
Dividends paid	(2,466)	(1,833)	(633)	(1,833)	(1,972)	139
Capital contribution received from noncontrolling interest	294	—	294	—	1,000	(1,000)
Capital lease obligation payments	—	—	—	—	(8)	8
Net cash used in financing activities	$ (14,689)	$ (52,294)	$ 37,605	$ (52,294)	$ (12,637)	$ (39,657)

The decrease in net cash used in financing activities for the fiscal year ended September 30, 2020, as compared to the fiscal year ended September 30, 2019, was primarily due to the Company repurchasing its common shares through a tender offer in October 2018 for an aggregate approximate amount of $25,576,000 and the termination of its 2014 Post-Closing Agreement in March 2019 pursuant to which the Company paid $11,300,000. Partially offsetting this shift was a prepayment of one of its long-term debt obligations in November 2019 in the amount of $4,455,000.

The increase in net cash used in financing activities for the fiscal year ended September 30, 2019, as compared to the fiscal year ended September 30, 2018, was primarily due to the Company purchasing 752,234 common shares through a tender offer, for an aggregate amount of approximately $25,576,000, the termination of its 2014 Post-Closing Agreement relating to sugarcane transaction pursuant to which the Company paid approximately $11,300,000, and a pay down, net of borrowings, of its revolving line of credit by approximately $2,265,000.

Alico had approximately $2,942,000 outstanding on its revolving lines of credit as of September 30, 2020 and approximately $91,659,000 remaining availability.

The WCLC line of credit agreement provides for Rabo Agrifinance, Inc. to issue up to $2,000,000 in letters of credit on the Company's behalf. As of September 30, 2020, there was approximately $399,000 in outstanding letters of credit, which correspondingly slightly reduced Alico's availability under the line of credit.

Off-Balance Sheet Arrangements

None

Contractual Obligations

Alico has various contractual obligations which are fixed and determinable. The following table presents the Company's significant contractual obligations and commercial commitments on an undiscounted basis as of September 30, 2020 and the future periods in which such obligations are expected to be settled in cash.

(in thousands)	**Payments Due by Period**				
	Total	**<1 Year**	**1-3 Years**	**3-5 Years**	**5+ Years**
Long-Term Debt	$ 148,251	$ 9,145	$ 21,070	$ 21,070	$ 96,966
Interest on Long-Term Debt	33,964	5,235	9,254	7,634	11,841
Consulting/Non-Compete Agreement	146	146	—	—	—
Operating Leases	891	519	324	48	—
Tree Purchase Commitments	3,014	3,014	—	—	—
Total	$ 186,266	$ 18,059	$ 30,648	$ 28,752	$ 108,807

Purchase Commitments

The Company enters into contracts for the purchase of citrus trees during the normal course of its business. As of September 30, 2020, the Company had approximately $3,014,000 relating to outstanding commitments for these purchases, which will be paid upon delivery.

Impact of Inflation and Changing Prices

Our financial statements included in this Annual Report on Form 10-K have been prepared in accordance with U.S. GAAP, which requires us to measure financial position and operating results primarily in terms of historic dollars. Changes in the relative value of money due to inflation or recession generally are not considered. The primary effect of inflation on our operations is reflected in increased operating costs. In our management's opinion, changes in interest rates affect the financial condition to a far greater degree than changes in the inflation rate. While interest rates are greatly influenced by changes in the inflation rate, they do not necessarily change at the same rate or in the same magnitude as the inflation rate. Interest rates are highly sensitive to many factors that are beyond our control, including changes in the expected rate of inflation, the influence of general and local economic conditions and the monetary and fiscal policies of the United States government, its agencies and various other governmental regulatory authorities.

Critical Accounting Policies

Alico's Consolidated Financial Statements are prepared in accordance with U.S. GAAP, which requires management to make estimates, judgments and assumptions that affect the amounts reported in those financial statements and accompanying notes. Management considers an accounting policy to be critical if it is important to the Company's financial condition and results of operations and if it requires significant judgment and estimates on the part of management in its application. Alico considers policies relating to the following matters to be critical accounting policies:

Revenue Recognition

The Company recognizes revenue at the amount it expects to be entitled to be paid, determined when control of the products or services is transferred to its customers, which occurs upon delivery of and acceptance of the fruit by the customer and the Company has a right to payment. For grove management services, the Company recognizes operating revenue, including a management fee, when services are rendered and consumed. The Company recognized revenues from cattle sales at the time the cattle were delivered. Management reviews the reasonableness of the revenue accruals quarterly based on buyers' and processors' advances to growers, cash and futures markets and experience in the industry. Adjustments are made throughout the fiscal year to these estimates as more current relevant industry information becomes available. Differences between the estimates and the final realization of revenues can be significant and can be either positive or negative. During the periods presented in this Annual Report on Form 10-K, no material adjustments were made to the reported revenues from our crops.

Inventories

The costs of growing crops, including but not limited to labor, fertilization, fuel, crop nutrition and irrigation, are capitalized into inventory throughout the respective crop year. Such costs are expensed as cost of sales when the crops are harvested and are recorded as operating expenses in the Consolidated Statements of Operations. Inventories are stated at the lower of cost or net realizable value. The cost for unharvested citrus crops is based on accumulated production costs incurred during the period from January 1 through the balance sheet date.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Major improvements are capitalized while maintenance and repairs are expensed in the period the cost is incurred. Costs related to the development of citrus groves, through planting of trees, are capitalized. Such costs include land clearing, excavation and construction of ditches, dikes, roads and reservoirs among other costs. After the planting, caretaking costs or pre-productive maintenance costs are capitalized for four years. After four years, a grove is considered to have reached maturity and the accumulated costs are depreciated over 25 years, except for land clearing and excavation, which are considered costs of land and not depreciated.

Income Taxes

The Company uses the asset and liability method of accounting for deferred income taxes. The provision for income taxes includes income taxes currently payable and those deferred as a result of temporary differences between the financial statements and the income tax basis of assets and liabilities. Deferred income tax assets and liabilities are measured using enacted income 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 of a change in income tax rates on deferred income tax assets and liabilities is recognized in income or loss in the period that includes the enactment date. A valuation allowance is provided to reduce deferred tax assets to the amount of future tax benefit when it is more likely than not that some portion or all of the deferred tax assets will not be realized. Projected future taxable income and ongoing tax planning strategies are considered and evaluated when assessing the need for a valuation allowance. Any increase or decrease in a valuation allowance could have a material adverse or beneficial impact on the Company's income tax provision and net income or loss in the period the determination is made. For the fiscal years ended September 30, 2020, 2019 and 2018, the Company recorded valuation allowances of $0, $0, and $5,634,000, respectively, relating to the unutilized capital loss carryforwards which expired. The Company recognizes interest and/or penalties related to income tax matters in income tax expense.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which a change in judgment occurs. The Company records interest related to unrecognized tax benefits in income tax expense.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. The Company records impairment losses on long-lived assets used in operations, other than goodwill, when events and circumstances indicate that the asset or asset group might be impaired and the estimated cash flows (undiscounted and without interest charges) to be generated by those assets or asset group over the remaining lives of the assets are less than the carrying amounts of those assets. In calculating impairments and the estimated cash flows, the Company assigns its asset groups by determining the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of the other Company assets. The net carrying values of assets or asset groups not recoverable are reduced to their fair values. Our cash flow estimates are based on historical results adjusted to reflect our best estimates of future market conditions and operating conditions. As of September 30, 2020 and 2019, long-lived assets were comprised of property and equipment.

Fair Value Measurements

The carrying amounts in the balance sheets for operating accounts receivable, accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturity of these items. The carrying amounts reported for our long-term debt approximates fair value as our borrowings with commercial lenders are at interest rates that vary with market conditions and fixed rates that approximate market rates for comparable loans.

Fair value is defined as the price that would be received upon the sale of an asset or paid to transfer a liability (i.e., exit price) in an orderly transaction between market participants at the measurement date. Assets and liabilities measured at fair value are categorized into one of three different levels depending on the assumptions (i.e., inputs) used in the valuation. Assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement. The fair value hierarchy is defined as follows:

Level 1- Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2- Valuations are based on quoted prices for similar assets or liabilities in active markets, or quoted prices in markets that are not active for which significant inputs are observable, either directly or indirectly.

Level 3- Valuations are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management's best estimate of what market participants would use in valuing the asset or liability at the measurement date.

Impact of Accounting Pronouncements

See Item 8. "Financial Statements and Supplemental Data" - Note 1. "Description of Business and Basis of Presentation" for additional information about the impact of accounting pronouncements.

Subsequent Events

On December 2, 2020, the Board of Directors of the Company declared a cash dividend for the first quarter of fiscal year 2021 of $0.18 per share on its outstanding common stock to be paid to shareholders of record as of December 24, 2020, with payment expected on January 8, 2021.

In November 2020, the Company awarded 5,885 shares of restricted stock to certain officers and managers under the 2015 Plan.

Compensatory Arrangements of Certain Officers.

On December 2, 2019, the Company entered into a new employment agreement (the "Rallo Employment Agreement") with Richard Rallo. Mr. Rallo serves as Chief Financial Officer of the Company. The Rallo Employment Agreement provides for an annual base salary of $275,000. Mr. Rallo is eligible for an annual incentive compensation award with an annual target opportunity in an amount equal to 40% of his annual base salary.

The Rallo Employment Agreement also provides that, if Mr. Rallo's employment is terminated by the Company without "cause" or Mr. Rallo resigns with "good reason" (as each such term is defined in the Rallo Employment Agreement), then, subject to his execution, delivery, and non-revocation of a general release of claims in favor of the Company, Mr. Rallo will be entitled to (i) cash severance in an amount equal to 12 months of the annual base salary, (ii) the Accrued Obligations (as defined in the Rallo Employment Agreement) in a cash lump sum within 30 days after the date of termination, (iii) any rights or payments that are vested benefits or that Mr. Rallo is otherwise entitled to receive at or subsequent to the date of termination under any employee benefit plan or any other contract or agreement with the Company, and (iv) any Annual Bonus (as defined in the Rallo Employment Agreement) that has been earned but not paid as of the date of termination.

The Rallo Employment Agreement includes various restrictive covenants in favor of the Company, including a confidentiality covenant, a non-disparagement covenant, and 12-month post-termination noncompetition and customer and employee non-solicitation covenants.

In addition to his position as Chief Financial Officer, Mr. Rallo retains his position as the Company's Principal Accounting Officer.

The foregoing description of the Rallo Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the complete text of the Rallo Employment agreement, which is attached hereto as Exhibit 10.37 to this Annual Report on Form 10-K and is incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Market Risk - Market risk represents the potential loss resulting from adverse changes in the value of financial instruments, either derivative or non-derivative, caused by fluctuations in interest rates, foreign exchange rates, commodity prices, and equity security prices. The Company handles market risks in accordance with its established policies; however, Alico does not enter into derivatives or other financial instruments for trading or speculative purposes. The Company does consider, on occasion, the need to enter into financial instruments to manage and reduce the impact of changes in interest rates; however, the Company entered into no such instruments during the three-year period ended September 30, 2020. The Company held various financial instruments as of September 30, 2020 and 2019, consisting of financial assets and liabilities reported in the Company's Consolidated Balance Sheets and off-balance sheet exposures resulting from letters of credit issued for the benefit of Alico.

Interest Rate Risk - The Company is subject to interest rate risk from the utilization of financial instruments such as term loan debt and other borrowings. The Company's primary long-term obligations are fixed rate debts subject to fair value risk due to interest rate fluctuations. The Company believes that the carrying value of our long-term debt approximates fair value given the stability of market interest rates.

The Company is also subject to interest rate risk on its variable rate debt. A one-percentage-point increase in prevailing interest rates would have increased interest expense on our variable rate debt obligations by approximately $424,000 for the fiscal year ended September 30, 2020.

Foreign-Exchange Rate Risk - The Company currently has no exposure to foreign-exchange rate risk because all of its financial transactions are denominated in U.S. dollars.

Commodity Price Risk - The Company has no financial instruments subject to commodity price risk.

Equity Security Price Risk - None of the Company's financial instruments have potential exposure to equity security price risk.

Item 8. Financial Statements and Supplementary Data

Index to Consolidated Financial Statements

All schedules are omitted for the reason that they are not applicable or the required information is included in the financial statements or notes.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Alico, Inc.

Opinions on the Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Alico, Inc. and subsidiaries (the Company) as of September 30, 2020 and 2019, and the related consolidated statements of operations, changes in equity and cash flows for each of the three years in the period ended September 30, 2020, and the related notes (collectively, the financial statements). We also have audited the Company's internal control over financial reporting as of September 30, 2020, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 30, 2020 and 2019, and the results of their operations and their cash flows for each of the years in the three-year period ended September 30, 2020, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2020, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ RSM US LLP
We have served as the Company's auditor since 2007.
Orlando, Florida
December 8, 2020

ALICO, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)

	September 30, 2020	September 30, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,163	$ 18,630
Accounts receivable, net	4,347	713
Inventories	40,855	40,143
Income tax receivable	781	—
Assets held for sale	1,366	1,442
Prepaid expenses and other current assets	1,387	1,049
Total current assets	51,899	61,977
Restricted cash	16,524	5,208
Property and equipment, net	350,061	345,648
Goodwill	2,246	2,246
Other non-current assets	3,207	2,309
Total assets	$ 423,937	$ 417,388
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,533	$ 4,163
Accrued liabilities	7,095	7,769
Long-term debt, current portion	9,145	5,338
Deferred retirement obligations, current portion	—	5,226
Income taxes payable	—	5,536
Other current liabilities	1,385	919
Total current liabilities	21,158	28,951
Long-term debt:		
Principal amount, net of current portion	139,106	158,111
Less: deferred financing costs, net	(1,151)	(1,369)
Long-term debt less current portion and deferred financing costs, net	137,955	156,742
Lines of credit	2,942	—
Deferred income tax liabilities, net	39,728	32,125
Other liabilities	372	172
Total liabilities	202,155	217,990
Commitments and Contingencies (Note 15)		
Stockholders' equity:		
Preferred stock, no par value, 1,000,000 shares authorized; none issued	—	—
Common stock, $1.00 par value, 15,000,000 shares authorized; 8,416,145 shares issued and 7,492,524 and 7,476,513 shares outstanding at September 30, 2020 and September 30, 2019, respectively	8,416	8,416
Additional paid in capital	19,685	19,781
Treasury stock, at cost, 923,621 and 939,632 shares held at September 30, 2020 and September 30, 2019, respectively	(30,779)	(31,943)
Retained earnings	219,019	198,049
Total Alico stockholders' equity	216,341	194,303
Noncontrolling interest	5,441	5,095
Total stockholders' equity	221,782	199,398
Total liabilities and stockholders' equity	$ 423,937	$ 417,388

See accompanying notes to the consolidated financial statements.

ALICO, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Fiscal Year Ended September 30,		
	2020	2019	2018
Operating revenues:			
Alico Citrus	$ 89,369	$ 119,031	$ 78,121
Land Management and Other Operations	3,138	3,220	3,160
Total operating revenues	92,507	122,251	81,281
Operating expenses:			
Alico Citrus	72,281	59,594	51,709
Land Management and Other Operations	2,307	2,297	3,979
Total operating expenses	74,588	61,891	55,688
Gross profit	17,919	60,360	25,593
General and administrative expenses	10,998	15,146	15,058
Income from operations	6,921	45,214	10,535
Other income (expense):			
Investment and interest income, net	98	49	39
Interest expense	(5,981)	(7,180)	(8,561)
Gain on sale of real estate, property and equipment and assets held for sale	30,424	13,166	11,041
Change in fair value of derivatives	—	(989)	—
Other (expense) income, net	(85)	(27)	136
Total other income, net	24,456	5,019	2,655
Income before income taxes	31,377	50,233	13,190
Income tax provision	7,663	12,783	390
Net income	23,714	37,450	12,800
Net (income) loss attributable to noncontrolling interests	(52)	383	250
Net income attributable to Alico, Inc. common stockholders	$ 23,662	$ 37,833	$ 13,050
Per share information attributable to Alico, Inc. common stockholders:			
Earnings per common share:			
Basic	$ 3.16	$ 5.06	$ 1.59
Diluted	$ 3.16	$ 5.05	$ 1.57
Weighted-average number of common shares outstanding:			
Basic	7,484	7,472	8,232
Diluted	7,496	7,493	8,301
Cash dividends declared per common share	$ 0.36	$ 0.24	$ 0.24

See accompanying notes to the consolidated financial statements

ALICO, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands)

	Common stock		Additional	Treasury	Retained	Total	Non-	Total
	Shares	Amount	Paid-In Capital	Stock	Earnings	Alico, Inc. Equity	controlling Interest	Equity
September 30, 2017	8,416	$ 8,416	$ 18,694	$ (6,502)	$ 140,033	$ 160,641	$ 4,728	$ 165,369
Net income (loss)	—	—	—	—	13,050	13,050	(250)	12,800
Dividends	—	—	—	—	(1,972)	(1,972)	—	(1,972)
Treasury stock purchases	—	—	—	(2,215)	—	(2,215)	—	(2,215)
Capital contribution received from noncontrolling interest funding	—	—	—	—	—	—	1,000	1,000
Stock-based compensation:								
Directors	—	—	(322)	1,181	—	859	—	859
Executives	—	—	1,754	—	—	1,754	—	1,754
September 30, 2018	8,416	8,416	20,126	(7,536)	151,111	172,117	5,478	177,595
Net income (loss)	—	—	—	—	37,833	37,833	(383)	37,450
Dividends	—	—	—	—	(1,792)	(1,792)	—	(1,792)
Treasury stock purchases	—	—	—	(25,576)	—	(25,576)	—	(25,576)
ASC 610-20 adoption	—	—	—	—	10,897	10,897	—	10,897
Stock-based compensation:								
Directors	—	—	(300)	1,169	—	869	—	869
Executives	—	—	778	—	—	778	—	778
Executive forfeiture	—	—	(823)	—	—	(823)	—	(823)
September 30, 2019	8,416	8,416	19,781	(31,943)	198,049	194,303	5,095	199,398
Net income	—	—	—	—	23,662	23,662	52	23,714
Dividends	—	—	—	—	(2,692)	(2,692)	—	(2,692)
Treasury stock purchases	—	—	—	(238)	—	(238)	—	(238)
Capital contribution received from noncontrolling interest funding	—	—	—	—	—	—	294	294
Stock-based compensation:								
Directors	—	—	(669)	1,402	—	733	—	733
Executives and managers	—	—	573	—	—	573	—	573
September 30, 2020	8,416	$ 8,416	$ 19,685	$ (30,779)	$ 219,019	$ 216,341	$ 5,441	$ 221,782

See accompanying notes to the consolidated financial statements.

ALICO, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Fiscal Year Ended September 30, 2020	2019	2018
Net cash provided by operating activities:			
Net income	$ 23,714	$ 37,450	$ 12,800
Adjustments to reconcile net income to net cash provided by operating activities:			
Deferred gain on sale of sugarcane land	—	—	(967)
Depreciation, depletion and amortization	14,520	13,924	13,756
Deferred income tax expense (benefit)	7,603	3,267	(1,955)
Cash surrender value	(10)	11	(27)
Deferred retirement benefits	(5,226)	829	(41)
Gain on sale of real estate, property and equipment and assets held for sale	(30,424)	(13,166)	(10,281)
Inventory net realizable value adjustment	—	808	1,115
Loss on disposal of property and equipment	659	—	207
Change in fair value of derivatives	—	989	—
Impairment of long-lived assets	1,321	396	2,234
Impairment of right-of-use-asset	87	—	—
Non-cash interest expense on deferred gain on sugarcane land	—	—	1,361
Insurance proceeds received for damage to property and equipment	—	(486)	(477)
Stock-based compensation expense	1,306	824	2,613
Other	—	—	29
Changes in operating assets and liabilities:			
Accounts receivable	(3,634)	1,531	1,718
Inventories	(712)	82	(6,554)
Prepaid expenses	(135)	(211)	177
Income tax receivable	(781)	15	(15)
Other assets	(839)	288	23
Accounts payable and accrued liabilities	(1,530)	(1,113)	2,987
Income tax payable	(5,536)	3,216	2,320
Other liabilities	666	178	(2,445)
Net cash provided by operating activities	1,049	48,832	18,578
Cash flows from investing activities:			
Purchases of property and equipment	(21,705)	(20,000)	(16,352)
Net proceeds from sale of real estate, property and equipment and assets held for sale	31,541	14,602	39,780
Insurance proceeds received for damage to property and equipment	—	486	477
Change in deposits on purchase of citrus trees	(458)	(108)	(431)
Advances on notes receivables, net	136	60	(575)
Other	(25)	—	25
Net cash provided by (used in) investing activities	9,489	(4,960)	22,924
Cash flows from financing activities:			
Repayments on revolving lines of credit	(114,581)	(89,231)	(25,600)
Borrowings on revolving lines of credit	117,523	86,546	28,285
Principal payments on term loans	(15,198)	(10,900)	(12,127)
Treasury stock purchases	(238)	(25,576)	(2,215)
Payment on termination of sugarcane agreement	—	(11,300)	—
Dividends paid	(2,466)	(1,833)	(1,972)
Deferred financing costs	(23)	—	—
Capital contribution received from noncontrolling interest	294	—	1,000
Capital lease obligation payments	—	—	(8)
Net cash used in financing activities	(14,689)	(52,294)	(12,637)
Net (decrease) increase in cash and cash equivalents and restricted cash	(4,151)	(8,422)	28,865
Cash and cash equivalents and restricted cash at beginning of the period	23,838	32,260	3,395
Cash and cash equivalents and restricted cash at end of the period	$ 19,687	$ 23,838	$ 32,260
Supplemental disclosure of cash flow information:			
Cash paid for interest, net of amount capitalized	$ 5,614	$ 6,940	$ 6,721
Cash paid for income taxes	$ 6,403	$ 6,285	$ 25
Supplemental disclosure of non-cash investing and financing activities:			
Dividend declared but unpaid	$ 674	$ 449	$ 492

See accompanying notes to the consolidated financial statements.

Note 1. Description of Business and Basis of Presentation

Description of Business

Alico, Inc., together with its subsidiaries (collectively, “Alico”, the “Company", "we", "us" or "our”), is a Florida agribusiness and land management company owning approximately 100,000 acres of land throughout Florida, holding mineral rights on approximately 90,000 of those owned acres. The Company manages its land based upon its primary usage, and reviews its performance based upon two primary classifications: (i) Alico Citrus and (ii) Land Management and Other Operations. Financial results are presented based upon its two business segments (Alico Citrus and Land Management and Other Operations).

Basis of Presentation

The Company has prepared the accompanying financial statements on a consolidated basis. These accompanying Consolidated Financial Statements, which are referred to herein as the “Financial Statements”, have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”) and pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”). All significant intercompany transactions and account balances between the consolidated businesses have been eliminated.

Segments

Operating segments are defined in the criteria established under the Financial Accounting Standards Board - Accounting Standards Codification (“FASB ASC”) Topic 280 as components of public entities that engage in business activities from which they may earn revenues and incur expenses for which separate financial information is available and which is evaluated regularly by the Company’s chief operating decision maker (“CODM”) in deciding how to assess performance and allocate resources. The Company’s CODM assesses performance and allocates resources based on two operating segments: (i) Alico Citrus and (ii) Land Management and Other Operations.

Principles of Consolidation

The Financial Statements include the accounts of Alico and the accounts of all the subsidiaries in which a controlling interest is held by the Company. Under U.S. GAAP, consolidation is generally required for investments of more than 50% of the outstanding voting stock of an investee, except when control is not held by the majority owner. The Company’s subsidiaries include: Alico Land Development, Inc., Alico-Agri, Ltd., Alico Plant World, LLC, Alico Fruit Company, LLC, Alico Citrus Nursery, LLC, Alico Chemical Sales, LLC, 734 Citrus Holdings, LLC and subsidiaries, Alico Fresh Fruit, LLC, Alico Skink Mitigation, LLC and Citree Holdings 1, LLC (“Citree”). The Company considers the criteria established under FASB ASC Topic 810, “Consolidations” in its consolidation process. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities as of the date of the accompanying Financial Statements, the disclosure of contingent assets and liabilities in the Financial Statements and the accompanying Notes, and the reported amounts of revenues and expenses and cash flows during the periods presented. Actual results could differ from those estimates. The Company evaluates estimates on an ongoing basis. The estimates are based on current and expected economic conditions, historical experience, the experience and judgment of the Company’s management and various other specific assumptions that the Company believes to be reasonable.

Noncontrolling Interest in Consolidated Subsidiary

The Financial Statements include all assets and liabilities of the less-than-100%-owned subsidiary the Company controls, Citree. Accordingly, the Company has recorded a noncontrolling interest in the equity of such entity. Citree had net income of $107,051 for the fiscal year ended September 30, 2020 and net losses of $781,783, and $511,854 for the fiscal years ended September 30, 2019 and 2018, respectively, of which $54,596 of net income and $398,709 and $261,046 of net losses was attributable to the Company for the fiscal years ended September 30, 2020, 2019 and 2018, respectively. The shift to net income for the fiscal year ended September 30, 2020 was the result of reimbursements received under the federal relief program relating to Hurricane Irma, aggregating approximately $493,000.

Recent Accounting Pronouncements

In January 2017, the FASB issued ASU 2017-04, *"Intangibles-Goodwill and Other"* (Topic 350), which simplifies the accounting for goodwill impairment. The updated guidance eliminates Step 2 of the impairment test, which requires entities to calculate the implied fair value of goodwill to measure a goodwill impairment charge. Instead, entities will record an impairment charge based on the excess of a reporting unit's carrying amount over its fair value, determined in Step 1. This guidance will become effective for us in the fiscal years beginning after December 15, 2019, including interim periods within those reporting periods. We will adopt this guidance using a prospective approach. Earlier adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company does not expect the adoption of ASU 2017-04 will have a material impact on its consolidated financial statements and will adopt the standard effective October 1, 2020.

In August 2018, the FASB issued ASU 2018-13, *"Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurements"* (*"*ASU 2018-13*"*), which aims to improve the overall usefulness of disclosures to financial statement users and reduce unnecessary costs to companies when preparing fair value measurement disclosures. ASU 2018-13 is effective for annual and interim periods in the fiscal years beginning after December 15, 2019. Early adoption is permitted. Retrospective adoption is required, except for certain disclosures, which will be required to be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. The Company does not expect the adoption of ASU 2018-13 will have a material impact on its consolidated financial statements and will adopt the standard effective October 1, 2020.

In November 2018, the FASB issued ASU 2018-19, *"Codification Improvements to Topic 326, Financial Instruments-Credit Losses."* ASU 2018-19 clarifies that receivables arising from operating leases are not within the scope of Subtopic 326-20. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with Leases (Topic 842). The standard is effective for the Company on October 1, 2020, with early adoption permitted. The Company does not expect the adoption of ASU 2018-19 to have a material impact on the consolidated financial statements of the Company.

In December 2019, the FASB issued ASU 2019-12, which simplifies the accounting for income taxes by removing certain exceptions to the general principles in the existing guidance for income taxes and making other minor improvements. The amendments in the ASU are effective for the Company on October 1, 2021. The Company does not expect the adoption of ASU 2019-12 will have a material impact on its consolidated financial statements and will adopt the standard effective October 1, 2021.

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides temporary optional expedients and exceptions for applying generally accepted accounting principles to contracts, hedging relationships and other transactions affected by reference rate reform. The Company's floating rate notes and variable funding notes bear interest at fluctuating interest rates based on LIBOR. If LIBOR ceases to exist, the Company may need to renegotiate its loan agreements and the Company cannot predict what alternative index would be negotiated with its lenders. ASU 2020-04 is currently effective and upon adoption may be applied prospectively to contract modifications made on or before December 31, 2022. The Company is currently assessing the impact of adopting this standard and the impact on its consolidated financial statements.

The Company has reviewed other recently issued accounting standards which have not yet been adopted in order to determine their potential effect, if any, on the results of operations or financial condition. Based on the review of these other recently issued standards, the Company does not currently believe that any of those accounting pronouncements will have a significant effect on its current or future financial position, results of operations, cash flows or disclosures.

Recently Adopted Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *"Revenue from Contracts with Customers"*, and subsequently issued several supplemental and/or clarifying ASU's (collectively, "ASC 606"), which prescribes a comprehensive new revenue recognition standard that supersedes previously existing revenue recognition guidance. The new model provides a five-step analysis in determining when and how revenue is recognized. The core principle of the new guidance is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard also requires new, expanded disclosures regarding revenue recognition. The standard allows initial application to be performed retrospectively to each period presented or as a modified retrospective adjustment as of the date of adoption. ASC 606 also provides for certain practical expedients, including the option to expense as incurred the incremental costs of obtaining a contract, if the contract period is for one year or less, and policy elections regarding shipping and handling that provides the option to account for shipping and handling costs as contract fulfillment costs. The Company adopted ASC 606 effective October 1, 2018, the first day of its 2019 fiscal year, using the modified retrospective method. The implementation of ASC 606 did not require an adjustment to the opening balance of retained earnings as of October 1, 2018 (see Note 2. "Revenue Recognition").

In February 2017, the FASB issued ASU 2017-05, *"Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets"* (ASC 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets. This standard clarifies the scope and application of ASC 610-20 on the sale, transfer, and derecognition of nonfinancial assets and in substance nonfinancial assets to non-customers, including partial sales. It also provides guidance on how gains and losses on transfers of nonfinancial assets and in substance nonfinancial assets to non-customers are recognized. The standard also clarifies the derecognition of businesses is under the scope of ASC 810. The standard was required to be adopted concurrently with ASC 606, however an entity did not have to apply the same transition method as ASC 606. The Company adopted ASC 610-20 ("ASC 610-20") effective October 1, 2018, the first day of its 2019 fiscal year, using the modified retrospective method. The implementation of ASC 610-20 resulted in an adjustment to increase the opening balance of retained earnings by $10,897,000, net of taxes, as of October 1, 2018. As a result of the ASU 610-20, guidance specific to real estate sales in ASC 360-20 will be eliminated. As such, sales and partial sales of real estate assets will now be subject to the same derecognition model as all other nonfinancial assets.

The ASU 610-20 will also impact the accounting for partial sales of nonfinancial assets (including in substance real estate). When an entity transfers its controlling interest in a nonfinancial asset, but retains a noncontrolling ownership interest, the entity will measure the retained interest at fair value. This will result in full gain/loss recognition upon the sale of a controlling interest in a nonfinancial asset. Current guidance generally prohibits gain recognition on the retained interest.

The ASU 610-20 was effective for fiscal years beginning after December 15, 2017, and interim periods within those years and thus was effective for the Company for our fiscal year beginning October 1, 2018. The ASU 610-20 will be applied prospectively to any transaction occurring from the date of adoption. The Company adopted ASU 360-20 effective October 1, 2018. The new guidance did not have a material impact on the Company's consolidated financial statements as it relates to the deferred gain on the sale of the Company's sugarcane lands (see Note 8. "Deferred Gain on Sale").

In August 2016, the FASB issued ASU 2016-15, *"Statement of Cash Flows (Topic 230)."* This ASU will provide guidance on the presentation and classification of specific cash flow items to improve consistency within the statement of cash flows. This ASU is effective for the Company for our fiscal year beginning October 1, 2019 with early adoption permitted. The Company adopted ASU 2016-15 effective September 30, 2019 and the impact under this ASU is that the Company reported certain proceeds from insurance claims relating to property and equipment in the statement of cash flows as investing activities in the Consolidated Statement of Cash Flows.

Leases

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)." This guidance requires entities that sign leases as a lessee to recognize right-of-use assets and lease liabilities for those leases classified as operating leases under previous U.S. GAAP. The accounting applied by a lessor is largely unchanged from that applied under previous U.S. GAAP. The Company adopted ASU 2016-02 on October 1, 2019.

The Company determines whether an arrangement is a lease at inception. The Company's leases consist of operating lease arrangements for certain office space, tractor leases and IT facilities. When these lease arrangements include lease and non-lease components, the Company accounts for lease components and non-lease components (e.g. common area maintenance) separately based on their relative standalone prices.

Any lease arrangements with an initial term of 12 months or less are not recorded on the Company's Condensed Consolidated Balance Sheets, and it recognizes lease cost for these lease arrangements on a straight-line basis over the lease term. Many lease arrangements provide the options to exercise one or more renewal terms or to terminate the lease arrangement. The Company includes these options when it will be reasonably certain to exercise them in the lease term used to establish the right-of-use assets and lease liabilities. Generally, lease agreements do not include an option to purchase the leased asset, residual value guarantees or material restrictive covenants.

As most of our lease arrangements do not provide an implicit interest rate, the Company applies an incremental borrowing rate based on the information available at the commencement date of the lease arrangement to determine the present value of lease payments.

No lease costs associated with finance leases and sale-leaseback transactions occurred and our lease income associated with lessor and sublease arrangements are not material to our Consolidated Financial Statements.

Our operating leases are reported in our Consolidated Balance Sheets as follows:

(in thousands)

Operating lease components	**Classification**	**September 30, 2020**
Right-of-use assets	Other non-current assets	$ 774
Current lease liabilities	Other current liabilities	$ 512
Non-current lease liabilities	Other liabilities	$ 356

Our operating leases cost components are reported in our Consolidated Statements of Operations as follows:

(in thousands)

Operating lease components	**Classification**	**September 30, 2020**
Operating lease costs	General and administrative expenses	$ 246
Operating lease right-of-use asset impairment	Other expense	$ 87

Future maturities of our operating lease obligations as of September 30, 2020 by fiscal year are as follows:

(in thousands)	
2021	$ 519
2022	324
2023	48
Total noncancelable future lease obligations	$ 891
Less: Interest	(24)
Present value of lease obligations	$ 867

The weighted-average remaining lease term and weighted-average discount rate for our operating leases are as follows:

	September 30, 2020
Weighted-average remaining lease term	1.61 years
Weighted-average discount rate	3.1 %

Cash flow information related to leases consists of the following:

(in thousands)

	September 30, 2020
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 247
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	$ 1,095

The COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the current novel coronavirus outbreak ("COVID-19") to be a global pandemic. In response to this declaration and the rapid spread of COVID-19 within the United States, federal, state and local governments throughout the country have imposed varying degrees of restrictions on social and commercial activity to promote social distancing in an effort to slow the spread of the illness. These measures have had a significant adverse impact upon many sectors of the economy, including certain agriculture businesses. To date, the Company has experienced no material adverse impact from this pandemic.

Reclassifications

Certain prior year amounts have been reclassified in the accompanying Financial Statements for consistent presentation to the current period. These reclassifications had no impact on net income, equity, cash flows or working capital as previously reported.

Seasonality

The Company is primarily engaged in the production of fruit for sale to citrus markets, which is of a seasonal nature, and subject to the influence of natural phenomena and wide price fluctuations. Historically, the second and third quarters of Alico's fiscal year produce the majority of the Company's annual revenue. Working capital requirements are typically greater in the first and fourth quarters of the fiscal year, coinciding with harvesting cycles. Because of the seasonality of the business, results for any quarter are not necessarily indicative of the results that may be achieved for the full fiscal year.

Note 2. Summary of Significant Accounting Policies

Revenue Recognition

Revenues are derived from the sale of processed fruit, fresh fruit, other citrus revenue, leasing revenue and other resource revenues. The majority of the revenue is generated from the sale of citrus fruit to processing facilities, fresh fruit sales and grove management services.

For fruit sales, the Company recognizes revenue at the amount it expects to be entitled to be paid, determined when control of the products or services is transferred to its customers, which occurs upon delivery of and acceptance of the fruit by the customer and the Company has a right to payment.

The Company has identified one performance obligation as the delivery of fruit to the processing facility (or harvesting of the citrus in the case of fresh fruit) of the customer for each separate variety of fruit identified in the contract. The Company initially recognizes revenue in an amount which is estimated based on contractual and market prices, if such market price falls within the range (known as “floor” and “ceiling” prices) identified in the specific contracts. Additionally, the Company also has a contractual agreement whereby revenue is determined based on applying a cost-plus structure methodology. As such, since these contracts contain elements of variable consideration, the Company recognizes this variable consideration by using the expected value method. On a quarterly basis, management reviews the reasonableness of the revenues accrued based on buyers’ and processors’ advances to growers, cash and futures markets and experience in the industry. Adjustments are made throughout the year to these estimates as more current relevant industry information becomes available. Differences between the estimates and the final realization of revenues at the close of the harvesting season can result in either an increase or decrease to reported revenues. During the periods presented, no material adjustments were made to the reported citrus revenues.

Receivables under contracts, whereby pricing is based on contractual and market prices, are primarily paid at the floor amount and are collected within seven days after the harvest week. Any adjustments to pricing as a result of changes in market prices are collected or paid thirty to sixty days after final market pricing is published. Receivables under contracts, whereby pricing is based off a cost-plus structure methodology, are paid at the final prior year rate. Any adjustments to pricing as a result of the cost-plus calculation are collected or paid upon finalization of the calculation and agreement by both parties. As of September 30, 2020 and 2019, the Company had total receivables relating to sales of citrus of $584,000 and $160,000, respectively, recorded in Accounts Receivable, net, in the Consolidated Balance Sheets.

For grove management services, the Company has identified one performance obligation relating to the management of the third party’s groves. Grove management services include caretaking of the citrus groves, harvesting and hauling of citrus, management and coordination of citrus sales and other related activities. The Company is reimbursed for expenses incurred in the execution of its management duties and the Company receives a per acre management fee. The Company recognizes operating revenue, including a management fee, and corresponding operating expenses when services are rendered and consumed.

Disaggregated Revenue

Revenues disaggregated by significant products and services for the fiscal years ended September 30, 2020, 2019 and 2018 are as follows:

(in thousands)	Fiscal Year Ended September 30,		
	2020	2019	2018
Alico Citrus			
Early and Mid-Season	$ 31,303	$ 39,574	$ 24,309
Valencias	50,060	73,480	48,865
Fresh fruit	2,321	3,629	2,054
Grove management services	4,599	1,342	1,808
Other	1,086	1,006	1,085
Total	$ 89,369	$ 119,031	$ 78,121
Land Management and Other Operations			
Land and other leasing	$ 2,683	$ 2,787	$ 2,595
Sale of calves and culls	—	—	57
Other	455	433	508
Total	$ 3,138	$ 3,220	$ 3,160
Total Revenues	$ 92,507	$ 122,251	$ 81,281

During the time that Alico was engaged in the business of raising and selling cattle, Alico recognized revenues from cattle sales at the time the cattle were delivered.

Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, including cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short term and immediate nature of these financial instruments. The carrying amounts of the Company's debt approximates fair value as the debt is with commercial lenders at interest rates that vary with market conditions or have fixed rates that approximate market rates for obligations with similar terms and maturities (see Note 8. "Fair Value Measurements").

Cash and Cash Equivalents

The Company considers cash in banks and highly liquid instruments with an original maturity of three months or less to be cash and cash equivalents. At various times throughout the fiscal year, and as of September 30, 2020, some accounts held at financial institutions were in excess of the federally insured limit of $250,000. The Company has not experienced any losses on these accounts and believes credit risk to be minimal.

Restricted Cash

Restricted cash is comprised of certain cash receipts from the sale of property which was being held specifically for the purpose of deferring a tax impact on the gain on sale of the property and other cash received from the sale of certain assets in which the use of funds were restricted.

In September 2020, the Company sold certain sections of the West Ranch, from which a portion of the net cash proceeds amounting to $16,524,000 were being held by a qualified intermediary in coordination to purchase a like-kind asset and defer a portion of the gain on sale of the ranch land. Such funds were included in restricted cash. In October 2020, the Company closed on a purchase of a like-kind asset and used all of these net cash proceeds which was being held by the intermediary (see Note 17. "Subsequent Events").

For certain sales transactions, the Company sells property which serves as collateral for specific debt obligations. As a result, the sale proceeds are only permitted to be used to purchase like-kind citrus groves acceptable to the debt holder or to pay down existing debt obligations and thus are included in restricted cash. For the fiscal year ended September 30, 2019, the Company utilized restricted cash of $1,800,000 towards the purchase of citrus groves. Such purchases are included as part of the collateral under certain debt obligations. Additionally, in November 2019, the Company utilized restricted cash to pay down existing debt, including outstanding interest on such debt, in the amount of $4,489,000. In July 2020, the remaining restricted cash of approximately $719,000 relating to collateral property under debt obligations, including interest earned in the account, was released without further obligation to the Company.

Accounts receivable

Accounts receivable from customers are generated from revenues based on the sale of citrus, grove management, leasing and other transactions. The Company grants credit in the course of its operations to third party customers. The Company performs periodic credit evaluations of its customers' financial condition and generally does not require collateral. The Company provides an allowance for doubtful accounts for amounts which are not probable of collection. The estimate, evaluated quarterly by the Company, is based on historical collection experience, current macroeconomic climate and market conditions and a review of the current status of each customer's account. Changes in the financial viability of significant customers and worsening of economic conditions may require changes to its estimate of the recoverability of the receivables. Such changes in estimates are recorded in the period in which these changes become known. The bad debt expense is included in general and administrative expenses in the Consolidated Statements of Operations.

The following table presents accounts receivable, net as of September 30, 2020 and 2019:

(in thousands)	September 30, 2020	September 30, 2019
Accounts receivable	$ 4,384	$ 746
Allowance for doubtful accounts	(37)	(33)
Accounts receivable, net	$ 4,347	$ 713

Concentrations

Accounts receivable from the Company's major customer as of September 30, 2020 and 2019 and revenue from such customers for the fiscal years ended September 30, 2020, 2019 and 2018, are as follows:

(in thousands)	Accounts Receivable		Revenue			% of Total Revenue		
	2020	2019	2020	2019	2018	2020	2019	2018
Tropicana	$ —	$ —	$ 80,388	$ 108,318	$ 70,396	86.9%	88.6%	86.6%

The citrus industry is subject to various factors over which growers have limited or no control, including weather conditions, disease, pestilence, water supply and market price fluctuations. Market prices are highly sensitive to aggregate domestic and foreign crop sizes, as well as factors including, but not limited to, weather and competition from foreign countries.

Real Estate

In recognizing revenues from land sales, the Company applies specific revenue recognition criteria, in accordance with U.S. GAAP, to determine when land sales revenues can be recorded. For example, in order to fully recognize a gain resulting from a real estate transaction, the sale must be consummated with a sufficient down payment of at least 20% to 25% of the sales price depending upon the type and timeframe for development of the property sold and any receivable from the sale cannot be subject to future subordination. In addition, the seller cannot retain any material continuing involvement in the property sold. When these criteria are not met, the Company recognizes a gain proportionate to collections utilizing either the installment method or deposit method as appropriate.

Inventories

The costs of growing crops, including but not limited to labor, fertilization, fuel, crop nutrition, irrigation, and depreciation, are capitalized into inventory throughout the respective crop year. Such costs are expensed as cost of sales when the crops are harvested and are recorded as operating expenses in the Consolidated Statements of Operations. Inventories are stated at the lower of cost or net realizable value. The cost for unharvested citrus crops is based on accumulated production costs incurred during the period from January 1 through the balance sheet date.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation, depletion and amortization. Major improvements are capitalized while expenditures for maintenance and repairs are expensed when incurred. Costs related to the development of citrus groves through planting of trees are capitalized. Such costs include land clearing, excavation and construction of ditches, dikes, roads, and reservoirs, among other costs. After the planting, caretaking costs or pre-productive maintenance costs are capitalized for 4 years. After 4 years, a planting is considered to have reached maturity and the accumulated costs are depreciated over 25 years, except for land clearing and excavation, which are considered costs of land and not depreciated.

Real estate costs incurred for the acquisition, development and construction of real estate projects are capitalized.

Depreciation is provided on a straight-line basis over the estimated useful lives of the depreciable assets, with the exception of leasehold improvements and assets acquired through capital leases, which are depreciated over their estimated useful lives if the lease transfers ownership or contains a bargain purchase option, otherwise the term of the lease.

The estimated useful lives for property and equipment are primarily as follows:

Citrus trees	25 years
Equipment and other facilities	3-20 years
Buildings and improvements	25-39 years

Changes in circumstances, such as technological advances or changes to our business model or capital strategy could result in the actual useful lives differing from the original estimates. In those cases where the Company determines that the useful life of property and equipment should be shortened, Alico depreciates the asset over its revised estimated remaining useful life, thereby increasing depreciation expense (see Note 5. "Property and Equipment, Net").

Impairment of Long-Lived Assets

The Company reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. The Company records impairment losses on long-lived assets used in operations, or asset group, when events and circumstances indicate that the assets might be impaired and the estimated cash flows (undiscounted and without interest charges) to be generated by those assets or asset group over the remaining lives of the assets or asset group are less than the carrying amounts of those assets. In calculating impairments and the estimated cash flows, the Company assigns its asset groups by determining the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of the other Company assets. The net carrying values of assets or asset group not recoverable are reduced to their fair values. Alico's cash flow estimates are based on historical results adjusted to reflect best estimates of future market conditions and operating conditions. For fiscal years ended September 30, 2020, 2019 and 2018, the Company recorded impairments to its long-lived assets (see Note 5. "Property and Equipment, Net"). As of September 30, 2020 and 2019, long-lived assets were comprised of property and equipment.

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price of acquired businesses over the fair value of the assets acquired less liabilities assumed in connection with such acquisition. In accordance with the provisions of ASC 350, Intangibles-Goodwill and Other, goodwill and intangible assets with indefinite useful lives acquired in an acquisition are not amortized, but instead are tested for impairment at least annually, on the same date, or more frequently should an event occur or circumstances indicate that the carrying amount may be impaired. Such events or circumstances may be a significant change in business climate, economic and industry trends, legal factors, negative operating performance indicators, significant competition, changes in strategy or disposition of a reporting unit or a portion thereof.

In the evaluation of goodwill for impairment, Alico has the option to perform a qualitative assessment to determine whether further impairment testing is necessary or to perform a quantitative assessment by comparing the fair value of a reporting unit to its carrying amount, including goodwill. Under the qualitative assessment, an entity is not required to calculate the fair value of a reporting unit unless the entity determines that it is more likely than not that its fair value is less than its carrying amount. If, under the quantitative assessment, the fair value of a reporting unit is less than its carrying amount, then the amount of the impairment loss, if any, must be measured under step two of the impairment analysis. In step two of the analysis, Alico would record an impairment loss equal to the excess of the carrying value of the reporting unit's goodwill over its implied fair value, should such a circumstance arise. As of September 30, 2020 and 2019, no impairment was required.

Other Non-Current Assets

Other non-current assets primarily include investments owned in agricultural cooperatives, cash surrender value on life insurance, and deposits on the purchase of citrus trees. Investments in stock related to agricultural cooperatives are carried at cost.

Income Taxes

The Company uses the asset and liability method of accounting for deferred income taxes. The provision for income taxes includes income taxes currently payable and those deferred as a result of temporary differences between the financial statements and the income tax basis of assets and liabilities. Deferred income tax assets and liabilities are measured using enacted income 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 of a change in income tax rates on deferred income tax assets and liabilities is recognized in income or loss in the period that includes the enactment date. A valuation allowance is provided to reduce deferred tax assets to the amount of future tax benefit when it is more likely than not that some portion or all of the deferred tax assets will not be realized. Projected future taxable income and ongoing tax planning strategies are considered and evaluated when assessing the need for a valuation allowance. Any increase or decrease in a valuation allowance could have a material adverse or beneficial impact on the Company's income tax provision and net income or loss in the period the determination is made. For the fiscal years ended September 30, 2020, 2019 and 2018, the Company recorded valuation allowances of $0, $0, and $5,634,000, respectively, relating to the unutilized capital loss carryforwards which expired. The Company recognizes interest and/or penalties related to income tax matters in income tax expense.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which a change in judgment occurs. The Company records interest related to unrecognized tax benefits in income tax expense.

Earnings per Share

Basic earnings per share for the Company's common stock is calculated by dividing net income attributable to Alico common stockholders by the weighted average number of shares of common stock outstanding for the period. Diluted earnings per common share is similarly calculated, except that the calculation includes the dilutive effect of the assumed issuance of shares of common stock issuable under equity-based compensation plans in accordance with the treasury stock method, or any other type of securities convertible into common stock, except where the inclusion of such common shares would have an anti-dilutive effect.

The following table presents a reconciliation of basic to diluted weighted average common shares outstanding for fiscal years ended September 30, 2020, 2019 and 2018:

(in thousands)	Fiscal Year Ended September 30,		
	2020	**2019**	**2018**
Weighted Average Common Shares Outstanding - Basic	7,484	7,472	8,232
Effect of dilutive securities - stock options and unrestricted stock	12	21	69
Weighted Average Common Shares Outstanding - Diluted	7,496	7,493	8,301

For the fiscal years ended September 30, 2020, 2019 and 2018, respectively, the Company issued118,000, 10,000, and 300,000, respectively, stock options to certain executives and managers of the Company. Non-vested restricted shares of common stock entitle the holder to receive non-forfeitable dividends upon issuance and are included in the calculation of diluted earnings per common share.

Stock-Based Compensation

Stock-based compensation is measured based on the fair value of the equity award at the grant date and is typically expensed on a straight-line basis over the vesting period. Upon the vesting of restricted stock, the Company issues common stock from common shares held in treasury.

Total stock-based compensation expense for the three years ended September 30, 2020, 2019 and 2018 in general and administrative expense was as follows:

(in thousands)	Fiscal Year Ended September 30,		
	2020	**2019**	**2018**
Stock-based compensation expense:			
Executives	$ 497	$ 778	$ 1,754
Management	76	—	—
Executive forfeitures	—	(823)	—
Board of Directors	733	869	859
Total stock-based compensation expense	$ 1,306	$ 824	$ 2,613

Note 3. Inventories

Inventories consist of the following at September 30, 2020 and 2019:

(in thousands)	September 30,	
	2020	2019
Unharvested fruit crop on the trees	$ 40,265	$ 39,276
Other	590	867
Total inventories	$ 40,855	$ 40,143

The Company records its inventory at the lower of cost or net realizable value. For the fiscal year ended September 30, 2019, the Company recorded adjustments of approximately $808,000 to reduce inventory to net realizable value. This adjustment to inventory is included in operating expenses in the Consolidated Statement of Operations.

In September 2017, the State of Florida's citrus business, including the Company's unharvested citrus crop, was significantly impacted by Hurricane Irma. The impact of Hurricane Irma resulted in the premature drop of unharvested fruit and damage to citrus trees.

The Company is eligible for Hurricane Irma federal relief programs for block grants that are being administered through the State of Florida. During the fourth quarter of fiscal year 2019 and for the fiscal year ended September 30, 2019, the Company received approximately $15,597,000 under the Florida Citrus Recovery Block Grant ("CRBG") program. This represents the Part 1 and a portion of the Part 2 reimbursement under the three-part program. For the fiscal year ended September 30, 2020, the Company received additional proceeds of approximately $4,629,000 under the Florida CRBG program. This represented the remaining portion of Part 2 reimbursement under the three-part program. The timing and amount to be received under Part 3 of the program has not been finalized. These federal relief proceeds are included as a reduction to operating expenses in the Consolidated Statements of Operations.

For the fiscal year ended September 30, 2019, the Company received insurance proceeds relating to Hurricane Irma of approximately $486,000 in additional property and casualty claims reimbursement. For the fiscal year ended September 30, 2018, the Company received insurance proceeds relating to Hurricane Irma of approximately $477,000 for property and casualty damage claims and approximately $8,952,000 for crop claims. These insurance proceeds are included as a reduction to operating expenses in the Consolidated Statements of Operations. There are no further property and casualty or crop insurance claims pending relating to Hurricane Irma.

Note 4. Assets Held for Sale

In accordance with its strategy to dispose of non-core and under-performing assets, the following assets have been classified as assets held for sale as of September 30, 2020 and September 30, 2019:

(in thousands)	Carrying Value	
	Fiscal Year Ended September 30,	
	2020	2019
East Ranch	$ 1,366	$ 1,442
Total Assets Held For Sale	$ 1,366	$ 1,442

On September 10, 2020, the State of Florida purchased, under the Florida Forever program, approximately 10,702 acres of the Alico Ranch for approximately $28,500,000 pursuant to an option agreement entered between the State of Florida and the Company. The Company recognized a gain of approximately $27,470,000, which is included in Gain on sale of real estate, property and equipment and assets held for sale in the Consolidated Statements of Operations. The Company subsequently used a portion of the net cash proceeds to purchase a like-kind asset in October 2020, which allowed the Company to defer a portion of the tax impact of the gain on sale of the ranch land (see Note 17. "Subsequent Events").

On March 27, 2020, the Company sold certain sections at the East Ranch for approximately $2,980,000 and realized a gain of approximately $2,748,000. The Company subsequently used substantially all of the net cash proceeds to purchase a like-kind asset in May 2020, which will allow the Company to defer substantially all of the tax impact of the gain on sale of the ranch land.

For the fiscal year ended September 30, 2019, the Company sold certain trailers for approximately $47,000, and reclassified the remaining Assets Held for Sale to property and equipment, as management has determined not to offer the remaining trailers for sale.

On October 30, 2018, the Company sold certain parcels at Frostproof for approximately $206,000 and realized a gain of approximately $12,000.

On May 2, 2018, the Company sold its Gal Hog property for approximately $7,300,000 and recognized a gain of approximately $6,709,000.

On February 12, 2018, the Company sold its property at Chancey Bay for approximately $4,200,000 and realized a loss of approximately $51,000. As part of the transaction, the Company agreed to pay the purchaser rent of $200,000 in exchange for the Company retaining the rights of harvesting and selling of the fruit in the 2017/2018 harvest season.

On February 9, 2018, the Company sold its nursery located in Gainesville for approximately $6,500,000 and realized a gain of approximately $111,000.

On January 25, 2018, the Company sold its breeding herd to a third party for approximately $7,800,000 and realized a gain of approximately $1,759,000. As part of this transaction, the purchaser is also leasing from the Company grazing and other rights on the Alico Ranch at a rate of $100,000 per month. Upon the sale of a parcel within the East Ranch, the lease rate was adjusted to $98,750 per month.

On January 19, 2018, the Company sold certain trailers to a third party for $500,000. The Company received $125,000 and the remaining portion is to be paid in accordance with a promissory note, which bears interest at 5%, over three years.

On October 30, 2017, the Company sold its corporate office building in Fort Myers, Florida for $5,300,000 and realized a gain of approximately $1,751,000. The sales agreement provides that the Company lease back a portion of the office space for five years. Such lease is classified as an operating lease.

The Company recorded no impairment loss during the fiscal year ended September 30, 2020. The Company recorded an impairment loss of approximately $152,000 and $150,000 for the fiscal years ended September 30, 2019 and 2018, respectively. These impairment losses were included in operating expenses on the Consolidated Statements of Operations.

The Company has already used a portion of the proceeds from these various asset sales to pay down debt (see Note 6. "Long-Term Debt and Lines of Credit") and to purchase citrus groves and plans to use the remaining cash proceeds from the sale of these assets to purchase other citrus groves, pay down other debt and to fund future working capital requirements and for other corporate purposes.

Note 5. Property and Equipment, Net

Property and equipment, net consists of the following at September 30, 2020 and September 30, 2019:

(in thousands)	September 30,	
	2020	**2019**
Citrus trees	$ 296,012	$ 281,149
Equipment and other facilities	55,593	54,622
Buildings and improvements	8,128	8,224
Total depreciable properties	359,733	343,995
Less: accumulated depreciation and depletion	(115,440)	(104,169)
Net depreciable properties	244,293	239,826
Land and land improvements	105,768	105,822
Property and equipment, net	$ 350,061	$ 345,648

On June 1, 2020, the Company sold approximately 30 ranch acres to an employee for approximately $122,000 and recognized a gain of approximately $83,000.

On May 4, 2020, the Company purchased 334 citrus acres for approximately $2,850,000. This acquisition complements the Company's existing citrus acres as these acres are located adjacent to existing groves in the Frostproof area. Additionally, this purchase was part of a like-kind exchange transaction, which allowed the Company to defer taxes relating to the sale of certain sections of the East Ranch.

For the fiscal year ended September 30, 2019, the Company purchased 203 acres of citrus blocks for approximately $1,950,000. These purchases were made from grove owners from within the Company's existing grove locations. In April 2019, the lender, PGIM Real Estate Finance, LLC ("Prudential"), agreed to accept those purchases completed through April 2019 as substitute collateral and release $1,800,000 from restricted cash, which was completed in the fourth quarter of fiscal year 2019. After April 2019, there were two additional purchases of Citrus blocks for approximately $100,000 that are not included as part of the substitution collateral.

On September 27, 2019, the Company sold approximately 5,500 acres from its West Ranch for approximately $14,775,000 and realized a gain on sale of approximately $13,033,000. Upon the sale of these acres, the lease rate pertaining to the grazing and other rights was adjusted from $98,750 to $80,000 per month, as space on these acres was previously being leased to a third party.

On September 29, 2018, the Company sold its property at Island Pond for $7,900,000. As the Island Pond property was collateralized under one of the Company's loan documents, $7,000,000 of the proceeds was restricted in use.

On September 28, 2018, The Company sold a parcel within the East Ranch for approximately $1,920,000 and realized a gain of approximately $1,759,000.

On March 30, 2018, the Company sold property located on its Winter Haven location for approximately $225,000 and recognized a loss of approximately $50,000.

On March 15, 2018, the Company sold certain parcels comprised of citrus trees and land located on its Ranch One grove for approximately $586,000 and recognized a loss of approximately $87,000.

For fiscal years ended September 30, 2020, 2019 and 2018, the Company recorded impairments of approximately $723,000, $244,000 and $2,084,000, respectively, relating to the loss of citrus trees.

As a result of the sale of a portion of the Alico Ranch to the State of Florida comprising approximately 10,700 acres on the western part of the ranch and because the sale of those acres affected the proposed dispersed water management project, the Company decided to suspend all permit approval activities for its dispersed water management project and the Company wrote-down approximately $598,000 of assets relating to this project during the fourth quarter of the fiscal year ended September 30, 2020.

Note 6. Long-Term Debt and Lines of Credit

The following table summarizes long-term debt and related deferred financing costs, net of accumulated amortization at September 30, 2020 and September 30, 2019:

	September 30, 2020		September 30, 2019	
(in thousands)	Principal	Deferred Financing Costs, Net	Principal	Deferred Financing Costs, Net
Long-term debt, net of current portion:				
Met Fixed-Rate Term Loans	$ 83,438	$ 621	$ 89,688	$ 724
Met Variable-Rate Term Loans	40,969	286	43,844	334
Met Citree Term Loan	4,512	36	4,750	40
Pru Loans A & B	15,097	207	16,257	224
Pru Loan E	4,235	1	4,455	9
Pru Loan F	—	—	4,455	38
	148,251	1,151	163,449	1,369
Less current portion	9,145	—	5,338	—
Long-term debt	$ 139,106	$ 1,151	$ 158,111	$ 1,369

The following table summarizes lines of credit and related deferred financing costs, net of accumulated amortization at September 30, 2020 and September 30, 2019:

	September 30, 2020		September 30, 2019	
(in thousands)	Principal	Deferred Financing Costs, Net	Principal	Deferred Financing Costs, Net
Lines of Credit:				
RLOC	$ —	$ 141	$ —	$ 8
WCLC	2,942	—	—	—
Lines of Credit	$ 2,942	$ 141	$ —	$ 8

Future maturities of long-term debt and lines of credit as of September 30, 2020 are as follows:

(in thousands)	September 30, 2020
Due within one year	$ 9,145
Due between one and two years	10,535
Due between two and three years	10,535
Due between three and four years	13,477
Due between four and five years	10,535
Due beyond five years	96,966
Total future maturities	$ 151,193

Interest costs expensed and capitalized were as follows:

(in thousands)	Fiscal Year Ended September 30,		
	2020	2019	2018
Interest expense	$ 5,981	$ 7,180	$ 8,561
Interest capitalized	1,228	1,019	933
Total	$ 7,209	$ 8,199	$ 9,494

Debt

The Company's credit facilities consist of $125,000,000 in fixed interest rate term loans (“Met Fixed-Rate Term Loans”), $57,500,000 in variable interest rate term loans (“Met Variable-Rate Term Loans”), a $25,000,000 revolving line of credit (“RLOC”) with Metropolitan Life Insurance Company and New England Life Insurance Company (collectively “Met”), and a $70,000,000 working capital line of credit (“WCLC”) with Rabo Agrifinance, Inc. (“Rabo”).

The term loans and RLOC are secured by real property. The security for the term loans and RLOC consists of approximately 38,200 gross acres of citrus groves and 5,800 gross acres of Ranch land. The WCLC is collateralized by the Company’s current assets and certain other personal property owned by the Company.

The term loans, collectively, are subject to quarterly principal payments of $2,281,250, and mature November 1, 2029. The Met Fixed-Rate Term Loans bear interest at 4.15% per annum, and the Met Variable-Rate Term Loans bear interest at a rate equal to 90 day LIBOR plus 165 basis points (the “LIBOR spread”). The LIBOR spread is subject to adjustment by Met beginning May 1, 2017 and is subject to further adjustment every two years thereafter until maturity. No adjustment in the LIBOR spread was made at May 1, 2019. Interest on the term loans is payable quarterly. The interest rates on the Met Variable-Rate Term Loans were 1.91% per annum and 3.91% per annum as of September 30, 2020 and September 30, 2019, respectively.

The Company may prepay up to $8,750,000 of the Met Fixed-Rate Term Loan principal annually without penalty, and any such prepayments may be applied to reduce subsequent mandatory principal payments. The maximum annual prepayment was made for calendar year 2015. During the first and second quarter of fiscal year 2018, the Company elected not to make its principal payment and utilized a portion of its 2015 prepayment to satisfy its principal payment requirements for such quarters. At September 30, 2020, the Company had $5,625,000, available from its 2015 prepayment to reduce future mandatory principal payments should the Company elect to do so. The Met Variable-Rate Term Loans may be prepaid without penalty.

In March 2020, as a precautionary measure, the Company drew down an aggregate of $70,000,000 on its revolving credit facilities; $20,000,000 on its RLOC and $50,000,000 on its WCLC. This decision was made to safeguard the Company's liquidity and to increase available cash on hand in the event of a more protracted COVID-19 outbreak. As of September 30, 2020, the Company had paid back a majority of the balances on these credit facilities.

The RLOC bears interest at a floating rate equal to 90 day LIBOR plus 165 basis points, payable quarterly. The LIBOR spread was adjusted by the lender on May 1, 2017 and is subject to further adjustment every two years thereafter. No adjustment in the LIBOR spread was made at May 1, 2019. In October 2019, the RLOC agreement was modified to extend the current maturity of November 1, 2019 to November 1, 2029. The RLOC is subject to an annual commitment fee of 25 basis points on the unused portion of the line of credit. The RLOC is available for funding general corporate needs. The variable interest rate was 1.91% per annum and 3.91% per annum as of September 30, 2020 and September 30, 2019, respectively. Availability under the RLOC was $25,000,000 as of September 30, 2020.

The WCLC is a revolving credit facility and is available for funding working capital and general corporate requirements. The interest rate on the WCLC is based on the one month LIBOR, plus a spread, which is adjusted quarterly, based on the Company's debt service coverage ratio for the preceding quarter and can vary from 175 to 250 basis points. The rate is currently at LIBOR plus 175 basis points. The variable interest rate was 1.90% per annum and 3.85% per annum as of September 30, 2020 and September 30, 2019, respectively. The WCLC agreement was amended on August 25, 2020, and the primary terms of the amendment were an extension of the maturity to November 1, 2023. There were no changes to the commitment amount or interest rate. Availability under the WCLC was approximately $66,659,000 and $69,540,000 as of September 30, 2020 and September 30, 2019, respectively.

The WCLC is subject to a quarterly commitment fee on the daily unused availability under the line computed as the commitment amount less the aggregate of the outstanding loans and outstanding letters of credit. The commitment fee is adjusted quarterly based on Alico's debt service coverage ratio for the preceding quarter and can vary from a minimum of 20 basis points to a maximum of 30 basis points. Commitment fees to date have been charged at 20 basis points.

There was approximately $2,942,000 outstanding on the WCLC at September 30, 2020. The WCLC agreement provides for Rabo to issue up to $2,000,000, reduced from $20,000,000 during fiscal year 2019, in letters of credit on the Company's behalf. As of September 30, 2020, there was approximately $399,000 in outstanding letters of credit, which correspondingly reduced the Company's availability under the line of credit.

In 2014, the Company capitalized approximately $2,834,000 of debt financing costs related to the refinancing. These costs, together with approximately $339,000 of costs related to the retired debt, are being amortized to interest expense over the applicable terms of the loans. Additionally, approximately $ 23,000 and $133,000 of financing costs were incurred for the fiscal years ended September 30, 2020 and 2019, respectively, in connection with letters of credit. All previous costs are included in deferred financing costs and being amortized to interest expense over the applicable terms of the obligations. The unamortized balance of deferred financing costs related to the financing above was approximately $1,048,000 and approximately $1,066,000 at September 30, 2020 and September 30, 2019, respectively.

These credit facilities noted above are subject to various covenants including the following financial covenants: (i) minimum debt service coverage ratio of 1.10 to 1.00, (ii) tangible net worth of at least $160,000,000 increased annually by 10% of consolidated net income for the preceding years, or approximately $167,336,000 for the year ended September 30, 2020, (iii) minimum current ratio of 1.50 to 1.00, (iv) debt to total assets ratio not greater than .625 to 1.00, and, (v) solely in the case of the WCLC, a limit on capital expenditures of $30,000,000 per fiscal year. As of September 30, 2020, the Company was in compliance with all of the financial covenants.

Credit facilities also include a Met Life term loan collateralized by 1,200 gross acres of citrus grove owned by Citree ("Met Citree Loan"). This is a $5,000,000 credit facility that bears interest at a fixed rate of 5.28% per annum. Principal and interest payments are made on a quarterly basis. At September 30, 2020 and 2019, there was an outstanding balance of $4,512,000 and $4,750,000, respectively. The loan matures in February 2029. The unamortized balance of deferred financing costs related to this loan was approximately $36,000 and $40,000 at September 30, 2020 and 2019, respectively.

Transition from LIBOR

The Company is currently evaluating the impact of the transition from LIBOR as an interest rate benchmark to other potential alternative reference rates. Currently, the Company has debt instruments in place that reference LIBOR-based rates. The transition from LIBOR is estimated to take place in 2022 and management will continue to actively assess the related opportunities and risks involved in this transition.

Silver Nip Citrus Debt

There are two fixed-rate term loans, with an original combined balance of $27,550,000, bearing interest at 5.35% per annum ("Pru Loans A & B"). Principal of $290,000 is payable quarterly, together with accrued interest. On February 15, 2015, 734 Citrus Holdings, LLC d/b/a Silver Nip Citrus ("Silver Nip Citrus") made a prepayment of $750,000. In addition, the Company made prepayments of approximately $4,453,000 in the second fiscal quarter of 2018 with proceeds from the sale of certain properties, which were collateralized under these loans. The Company may prepay up to $5,000,000 of principal without penalty. As such, the Company exceeded the allowed $ 5,000,000 prepayment by approximately $203,000 and was required to make a premium payment of approximately $22,000. The loans are collateralized by approximately5,700 of citrus groves in Collier, Hardee, Highlands and Polk Counties, Florida and mature on June 1, 2029 and June 1, 2033, respectively.

Silver Nip Citrus entered intotwo additional fixed-rate term loans with Prudential to finance the acquisition of a1,500 acre citrus grove on September 4, 2014. Each loan was in the original amount of $5,500,000 with principal of $55,000 per loan being payable quarterly, together with accrued interest. One loan bears interest at3.85% per annum ("Pru Loan E"), while the other bore interest at 3.45% per annum ("Pru Loan F"). The interest rate on Pru Loan E is subject to adjustment on September 1, 2019 and every year thereafter until maturity. No adjustment was made at September 1, 2019. Both loans were collateralized by approximately 1,500 gross acres of citrus groves in Charlotte County, Florida. Pru Loan E matures September 1, 2021, and Pru Loan F was scheduled to mature September 1, 2039.

In November 2019, the Company prepaid Pru Loan F in full by paying the then existing principal balance of $4,455,000. As a result of this prepayment, the Company's required annual principal payments on its Pru Loans was reduced by $220,000 per annum.

The Silver Nip Citrus credit agreements are subject to a financial covenant whereby the consolidated current ratio requirement is1.00 to 1.00. Silver Nip Citrus was in compliance with the current ratio covenant as of September 30, 2020.

The unamortized balance of deferred financing costs related to the Silver Nip Citrus debt was approximately $208,000 and $271,000 at September 30, 2020 and 2019, respectively.

Note 7. Accrued Liabilities

Accrued liabilities consist of the following at September 30, 2020 and September 30, 2019:

(in thousands)	September 30, 2020	September 30, 2019
Ad valorem taxes	$ 2,057	$ 2,117
Accrued interest	1,020	1,110
Accrued employee wages and benefits	2,214	2,525
Accrued dividends	674	448
Accrued contractual obligation associated with sale of real estate	—	402
Consulting and separation charges	146	400
Accrued insurance	636	544
Other accrued liabilities	348	223
Total accrued liabilities	$ 7,095	$ 7,769

Note 8. Fair Value Measurements

The Company complies with the provisions of FASB ASC 820 "Fair Value Measurements" for its financial and non-financial assets and liabilities. ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosure for each major asset and liability category measured at fair value on either a recurring or nonrecurring basis.

ASC 820 clarifies that fair value is an exit price representing the amount that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, ASC 820 establishes a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

- Level 1- Observable inputs such as quoted prices in active markets;
- Level 2- Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3- Unobservable inputs in which there is little or no market data, such as internally developed valuation models which require the reporting entity to develop its own assumptions.

As of September 30, 2020 and 2019, the Company did not have any assets held for sale that had been measured at fair value on a non-recurring basis.

Management Security Plan

During August 2020, the Company paid out a lump sum of approximately $5,175,000 to all beneficiaries in the Management Security Plan, following the equivalent annuity approach. The Company used a third-party service provider to assist in the evaluation of investments in this plan. For prior year investment valuations, the Company used current market interest rates, quality estimates by rating agencies and valuation estimates by active market participants in order to determine values. As of September 30, 2020, due to the lump sum payment made in August 2020, the deferred retirements benefit was zero. As of September 30, 2019, deferred retirement benefits were valued based on actuarial data, contracted payment schedules and an estimated discount rate of 4.08%.

Note 9. Common Stock and Options

Effective January 27, 2015, the Company's Board of Directors adopted the 2015 Stock Incentive Plan (the "2015 Plan") which provides for up to 1,250,000 common shares available for issuance to provide a long-term incentive plan for officers, employees, directors and/or consultants to directly link incentives to stockholder value. The 2015 Plan was approved by the Company's stockholders in February 2015. The Company's 2015 Plan provides for grants to executives in various forms including restricted shares of the Company's common stock and stock options. Awards are discretionary and are determined by the Compensation Committee of the Board of Directors. Awards vest based upon service conditions. Non-vested restricted shares generally vest over requisite service periods of one to six years from the date of grant.

Restricted Stock

In November 2017, a senior executive was awarded 5,000 restricted shares of the Company's common stock ("Restricted Stock") under the 2015 Plan at a weighted average fair value of $31.95 per common share, vesting over 2.5 years.

The following table represents a summary of the status of the Company's nonvested shares:

Nonvested Shares	Shares	Weighted-Average Grant Date Fair Value
Nonvested Shares at September 30, 2017	5,334	$ 49.39
Granted during fiscal year 2018	5,000	31.95
Vested during fiscal year 2018	(3,001)	39.70
Forfeited during fiscal year 2018	—	—
Nonvested Shares at September 30, 2018	7,333	41.46
Granted during fiscal year 2019	—	—
Vested during fiscal year 2019	(1,667)	31.95
Forfeited during fiscal year 2019	—	—
Nonvested Shares at September 30, 2019	5,666	44.26
Granted during fiscal year 2020	—	—
Vested during fiscal year 2020	(5,666)	44.26
Forfeited during fiscal year 2020	—	—
Nonvested Shares at September 30, 2020	—	$ —

Stock compensation expense related to the Restricted Stock totaled approximately $69,000, $104,000, and $137,000 for the fiscal years ended September 30, 2020, 2019 and 2018, respectively. There was approximately $0 and $69,000 of total unrecognized stock compensation costs related to unvested stock compensation for the Restricted Stock grants at September 30, 2020 and September 30, 2019, respectively.

For the fiscal year ended September 30, 2020, 5,666 shares with a grant date fair value of approximately $251,000 became fully vested.

For the fiscal year ended September 30, 2019, 1,667 shares with a grant date fair value of approximately $53,000 became fully vested.

Stock Option Grant

Stock option grants of 118,000 options to certain Officers and Managers of the Company (collectively the “2020 Option Grants”) were granted on October 11, 2019. The option exercise price was set at $33.96, the closing price on October 11, 2019. The 2020 Option Grants will vest as follows: (i)25% of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds $35.00; (ii) 25% of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds $40.00; (iii) 25% of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds $45.00; and (iv) 25% of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds $50.00. If the applicable stock price hurdles have not been achieved by (A) the date that is 18 months following the termination of employment, if the employment is terminated due to death or disability, (B) the date that is 12 months following the termination of employment, if the employment is terminated by the Company without cause, by the employee with good reason, or due to the employee’s retirement, or (C) the date of the termination of employment for any other reason, then any unvested options will be forfeited. In addition, if the applicable stock price hurdles have not been achieved by December 31, 2022 then any unvested options will be forfeited. The 2020 Option Grants will also become vested to the extent that the applicable stock price hurdles are satisfied in connection with a change in control of the Company. As of September 30, 2020, the Company’s stock closed at $28.62 per share. For the fiscal year ended September 30, 2020, the Company’s common stock traded above $35.00 per share for twenty consecutive days. Accordingly, 25% of the 2020 Option Grants are vested at September 30, 2020 and the corresponding stock option expense was recognized during the fiscal year ended September 30, 2020.

Stock option grants of 10,000 options to Mr. John Kiernan (the “2019 Option Grants”) were granted on October 25, 2018. The option exercise price for these options was set at $33.34, the closing price on October 25, 2018. The 2019 Option Grants will vest as follows: (i)3,333 of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds $40.00; (ii) 3,333 of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds $45.00; (iii) 3,334 of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds $50.00. If the applicable stock price hurdles have not been achieved by (A) the date that is 18 months following the Executive’s termination of employment, if the Executive’s employment is terminated due to death or disability, (B) the date that is 12 months following the Executive’s termination of employment, if the Executive’s employment is terminated by the Company without cause, by the Executive with good reason, or due to the Executive’s retirement, or (C) the date of the termination of the Executive’s employment for any other reason, then any unvested options will be forfeited. In addition, if the applicable stock price hurdles have not been achieved by December 31, 2021 then any unvested options will be forfeited. The 2019 Option Grants will also become vested to the extent that the applicable stock price hurdles are satisfied in connection with a change in control of the Company. As of September 30, 2020, the Company’s common stock was trading at $ 28.62 per share, and during the fiscal year ended September 30, 2020, the stock did not trade above $40.00 per share; accordingly, none of the stock options are vested at September 30, 2020.

Stock option grants of 210,000 options to Mr. Remy Trafelet and 90,000 options to Mr. John Kiernan (collectively, the “2018 Option Grants”) were granted on September 7, 2018. The option exercise price for these options was set at $33.60, the closing price on September 7, 2018. The 2018 Option Grants will vest as follows: (i)25% of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds $35.00; (ii) 25% of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds $40.00; (iii) 25% of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds $45.00; and (iv) 25% of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds $50.00. If the applicable stock price hurdles have not been achieved by (A) the date that is18 months following the Executive’s termination of employment, if the Executive’s employment is terminated due to death or disability, (B) the date that is 12 months following the Executive’s termination of employment, if the Executive’s employment is terminated by the Company without cause, by the Executive with good reason, or due to the Executive’s retirement, or (C) the date of the termination of the Executive’s employment for any other reason, then any unvested options will be forfeited. In addition, if the applicable stock price hurdles have not been achieved by December 31, 2021 then any unvested options will be forfeited. The 2018 Option Grants will also become vested to the extent that the applicable stock price hurdles are satisfied in connection with a change in control of the Company. As of September 30, 2020, the Company’s common stock was trading at $ 28.62 per share. For the fiscal year ended September 30, 2020, the stock traded above $35.00 per share for a consecutive twenty days; accordingly, 25% of Mr. Kiernan's 2018 Option Grants are vested at September 30, 2020 and the corresponding stock option expense was recognized during the fiscal year ended September 30, 2020. As set forth below, more than a majority of the 2018 original Option Grants issued to Mr. Trafelet were forfeited and the vesting conditions of the remainder were modified, all pursuant to the Alico Settlement Agreement, as defined below, and the remaining 2018 original Option Grants, both vested and unvested, have since been forfeited or expired.

A stock option grant of 300,000 options in the case of Mr. Trafelet and 225,000 options in the case of each of Mr. Henry Slack and Mr. George Brokaw (collectively, the “2016 Option Grants”) were granted on December 31, 2016. The option price was set at $27.15, the closing price on December 31, 2016. The 2016 Option Grants will vest as follows: (i) 25% of the options will vest if the price of the Company’s common stock during a consecutive 20-trading day period exceeds $60.00; (ii) 25% of the options will vest if such price exceeds $75.00; (iii) 25% of the options will vest if such price exceeds $90.00; and (iv) 25% of the options will vest if such price exceeds $105.00. If the applicable stock price hurdles have not been achieved by (A) the second anniversary of the Executive’s termination of employment, if the Executive’s employment is terminated due to death or disability, (B) the date that is 18 months following the Executive’s termination of employment, if the Executive’s employment is terminated by the Company without cause, by the Executive with good reason, or due to the Executive’s retirement, or (C) the date of the termination of the Executive’s employment for any other reason, then any unvested options will be forfeited. In addition, if the applicable stock price hurdles have not been achieved by the fifth anniversary of the grant date (or the fourth anniversary of the grant date, in the case of the tranche described in clause (i) above), then any unvested options will be forfeited. The 2016 Option Grants will also become vested to the extent that the applicable stock price hurdles are satisfied in connection with a change in control of the Company. As of September 30, 2020, the Company’s stock was trading at $ 28.62 per share, and since the date of grant the Company’s common stock did not trade above $60.00 per share; accordingly, none of the 2016 Option Grants are vested at September 30, 2020. As set forth below, all of the 2016 Option Grants issued to Mr. Trafelet were forfeited pursuant to the Alico Settlement Agreement, as defined below.

Additionally, 187,500 shares of the 2016 Option Grants made to each of Messrs. Slack and Brokaw were forfeited on September 5, 2018 and no replacement options were granted. As such, the remaining unrecognized expense associated with these options of approximately $783,000 was accelerated and recorded for the fiscal year ended September 30, 2018.

Pursuant to a Settlement Agreement (described in Note 14. “Related Party Transactions”), which was unanimously approved by the Board of Directors, Mr. Trafelet agreed to voluntarily resign from his roles as President and Chief Executive Officer and a director of the Company. Under the Settlement Agreement, Mr. Trafelet forfeited (i) all of the 2016 Option Grants granted to him and (ii) all of the 2018 Option Grants granted to him in September 2018, other than 26,250 stock options that would vest if the minimum price of Alico's common stock over 20 consecutive trading days exceeds $35.00 per share and 26,250 stock options that would vest if the minimum price of Alico's common stock over 20 consecutive trading days exceeds $40.00 per share (“2019 Modified Option Grant”), but, in each case, only if such conditions were satisfied by the first anniversary of the date of the Settlement Agreement (collectively, the "Retained Options"). Any Retained Options that vested in accordance with their terms will expire on the date that is six months following the date on which the Retained Option vests, and any Retained Options that did not vest by the first anniversary of the Alico Settlement Agreement would be forfeited as of such first anniversary. As of September 30, 2020, the Company’s stock was trading at $ 28.62 per share. During the fiscal year ended September 30, 2020, the Company’s common stock traded above $35.00 per share for a consecutive twenty days; accordingly, 26,250 stock options from the 2019 Modified Option Grants vested, however, since these Modified Options were not exercised within six months following the date on which the Retained Option vested, they were forfeited. Additionally, since the Company’s common stock did not trade above $ 40.00 per share for a consecutive twenty days by the first anniversary of the date of the Alico Settlement Agreement, the other 26,250 stock options from the 2019 Modified Option Grants were forfeited.

Forfeitures of all stock options were recognized as incurred.

The following table represents a summary of the Company’s stock option activity:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Balance - September 30, 2018	675,000	$ 30.02	2.22	—
Granted during fiscal year 2019	10,000	33.34	2.25	—
Forfeitures/expired during fiscal year 2019	(457,500)	29.37	1.78	—
Exercised during fiscal year 2019	—	—	—	—
Balance - September 30, 2019	227,500	31.46	1.22	—
Granted during fiscal year 2020	118,000	33.96	2.25	—
Forfeitures/expired during fiscal year 2020	(52,500)	33.60	—	—
Exercised during fiscal year 2020	—	—	—	—
Balance - September 30, 2020	293,000	32.09	1.79	—

Stock compensation expense related to the options totaled approximately $504,000, $674,000 and $1,617,000 for the fiscal years ended September 30, 2020, 2019 and 2018, respectively.

At September 30, 2020 and September 30, 2019, there was approximately $376,000 and $502,000, respectively, of total unrecognized stock compensation costs related to unvested share-based compensation for the option grants. The total unrecognized compensation cost as of September 30, 2020 is expected to be recognized over a weighted-average period of 1.72 years.

The fair value of the 2020, 2019, and 2018 Option Grants was estimated on the date of grant using a Monte Carlo valuation model that uses the assumptions noted in the following table. The expected term of options granted is derived from the output of the option valuation model and represents the period of time that options granted are expected to be outstanding; the range given below results from different timeframes for the various market conditions being met.

2020 Option Grant

Expected Volatility	26.0 %
Expected Term (in years)	3.61
Risk Free Rate	1.60 %

The weighted-average grant-date fair value of the 2020 Option Grant was $3.20.

2019 Modified Option Grant

Expected Volatility	25.0 %
Expected Term (in years)	1.50
Risk Free Rate	2.52 %

The weighted-average grant-date fair value of the 2019 Modified Option Grant was $1.40.

2019 Option Grants

Expected Volatility	30.0 %
Expected Term (in years)	4.09
Risk Free Rate	2.95 %

The weighted-average grant-date fair value of the 2019 Option Grants was $7.10.

2018 Option Grants

Expected Volatility	30.0 %
Expected Term (in years)	3.32
Risk Free Rate	2.80 %

The weighted-average grant-date fair value of the 2018 Option Grants was $7.40.

As of September 30, 2020, there remained 939,500 common shares available for issuance under the 2015 Plan.

Note 10. Treasury Stock

In fiscal year 2017, the Board of Directors authorized the repurchase of up to $7,000,000 of the Company's common stock in two separate authorizations (collectively, the "2017 Authorization"). In March 2017, the Board of Directors authorized the repurchase of up to $5,000,000 of the Company's common stock beginning March 9, 2017 and continuing through March 9, 2019. In May 2017, the Board of Directors authorized the repurchase of up to an additional $2,000,000 of the Company's common stock beginning May 24, 2017 and continuing through May 24, 2019. The stock repurchases made under this repurchase were made through open market transactions at times and in such amounts as the Company's broker determined subject to the provisions of SEC Rule 10b-18.

During fiscal year 2018, the Company purchased 72,266 shares at a cost of $2,214,756 under the 2017 Authorization. As of June 29, 2018, the Company suspended its stock repurchase activity. For the fiscal year ended September 30, 2019, the Company did not purchase any shares under the 2017 Authorization. As the 2017 Authorization expired in May 2019, the Company has no funds available under this plan to repurchase stock.

On October 3, 2018, the Company completed a tender offer of 752,234 shares at a price of $34.00 per share aggregating $25,575,956. 734 Investors, Alico's largest stockholder from 2013 until November 12, 2019, participated in the tender offer by selling a small percentage of its holdings.

On October 10, 2019, the Board of Directors authorized the repurchase of up to7,000 shares of the Company's common stock from 734 Investors in a privately negotiated repurchase of shares. On October 15, 2019, the Company entered into a repurchase agreement to repurchase a total of 7,000 shares of the Company's common stock from 734 Investors, effective October 15, 2019.

In September 2013, the Board of Directors authorized the repurchase of up to105,000 shares of the Company's common stock beginning in November 2013 and continuing through April 2018.

The following table illustrates the Company's treasury stock purchases for the fiscal years ended September 30, 2020, 2019 and 2018:

(in thousands, except share amounts)	Total Number of Shares Purchased		Average Price Paid Per Share	Total Shares Purchased as Part of Publicly Announced Plan or Program		Total Dollar Value of Shares Purchased
Fiscal Year Ended September 30,:						
2020	7,000	$	33.95	1,481,640	$	238
2019	752,234	$	34.00	1,474,640	$	25,576
2018	72,266	$	30.65	722,406	$	2,215

The following table outlines the Company's treasury stock transactions during the past three fiscal years:

(in thousands, except share amounts)	Shares		Cost
Balance at September 30, 2017	177,315	$	6,502
Purchased	72,266		2,215
Issued to Employees and Directors	(33,393)		(1,181)
Balance at September 30, 2018	216,188		7,536
Purchased	752,234		25,576
Issued to Employees and Directors	(28,790)		(1,169)
Balance at September 30, 2019	939,632		31,943
Purchased	7,000		238
Issued to Employees and Directors	(23,011)		(1,402)
Balance at September 30, 2020	923,621	$	30,779

Note 11. Income Taxes

On December 22, 2017, the U.S. Tax Cuts and Jobs Act (the "Act") was signed into law. The Act contains significant changes to corporate taxes, including a permanent reduction of the U.S. corporate tax rate from 35% to 21% effective January 1, 2018. The Company's statutory rate for the fiscal year ended September 30, 2018 was 24.5%, based on a fiscal year blended rate calculation. The 21% U.S. corporate tax rate is fully applicable to the fiscal year ended September 30, 2019 and each year thereafter.

The Act required a one-time remeasurement of certain tax related assets and liabilities. During the first quarter ended December 31, 2017, the Company made certain estimates related to the impact of the Act including the remeasurement of deferred taxes at the new expected tax rate and a revised effective tax rate for the year ended September 30, 2018. For the fiscal year ended September 30, 2018, the Company recorded a tax benefit of approximately $9,847,000 to account for these deferred tax impacts.

In October 2019, the Internal Revenue Service concluded their audit of the September 30, 2015 tax year with no changes. The Federal and State filings remain subject to examination by tax authorities for tax periods ending after September 30, 2015.

The income tax provision for the years ended September 30, 2020, 2019 and 2018 consists of the following:

(in thousands)	Fiscal Year Ended September 30,		
	2020	2019	2018
Current:			
Federal income tax	$ 131	$ 7,314	$ 1,961
State income tax	(71)	2,202	384
Total current	60	9,516	2,345
Deferred:			
Federal income tax	6,151	2,995	(3,917)
State income tax	1,452	272	1,962
Total deferred	7,603	3,267	(1,955)
Income tax provision	$ 7,663	$ 12,783	$ 390

Income tax provision attributable to income before income taxes differed from the amount computed by applying the statutory federal income tax rate of 21%, 21% and 24.53% to income before income taxes for the fiscal years ended September 30, 2020, September 30, 2019 and September 30, 2018, respectively, as a result of the following:

(in thousands)	Fiscal Year Ended September 30,		
	2020	2019	2018
Income tax at the statutory federal rate	$ 6,568	$ 10,587	$ 3,198
Increase (decrease) resulting from:			
State income taxes, net of federal benefit	1,217	1,947	857
Permanent and other reconciling items, net	170	166	221
Expiration of capital loss carryforward	—	—	5,634
Reduction in deferred tax liability resulting from the Act	—	—	(9,847)
State rate change	(156)	—	—
Stock option cancellation	—	—	347
Other	(136)	83	(20)
Income tax provision	$ 7,663	$ 12,783	$ 390

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities as of September 30, 2020, and 2019 are presented below:

(in thousands)	September 30,	
	2020	2019
Deferred tax assets:		
Deferred retirement benefits	$ —	$ 1,325
Goodwill	16,304	18,244
Inventories	813	930
Stock compensation	314	237
Intangibles	508	565
Other	203	168
Total deferred tax assets	18,142	21,469
Deferred tax liabilities:		
Property and equipment	56,707	52,551
Investment in Citree	1,016	909
Prepaid insurance	147	134
Total deferred tax liabilities	57,870	53,594
Net deferred income tax liabilities	$ (39,728)	$ (32,125)

Note 12. Segment Information

Segments

Operating segments are defined in the criteria established under the FASB ASC Topic 280 as components of public entities that engage in business activities from which they may earn revenues and incur expenses for which separate financial information is available and which is evaluated regularly by the Company's chief operating decision maker ("CODM") in deciding how to assess performance and allocate resources. The Company's CODM assesses performance and allocates resources based on two operating segments: Alico Citrus and Land Management and Other Operations (see name change explanation below).

As a result of the Company selling approximately 10,700 acres on the western part of Alico Ranch to the State of Florida and because a sale of those acres affected the proposed dispersed water management project, the Company decided to suspend all permit approval activities for its dispersed water management project. This has resulted in a change in the financial reporting to the CODM. Therefore, the Company has renamed the "Water Resources and Other Operations" segment to "Land Management and Other Operations".

Total revenues represent sales to unaffiliated customers, as reported in the Consolidated Statements of Operations. Goods and services produced by these segments are sold to wholesalers and processors in the United States who prepare the products for consumption. The Company evaluates the segments' performance based on direct margins (gross profit) from operations before general and administrative expenses, interest expense, other income (expense) and income taxes, not including nonrecurring gains and losses.

Information by operating segment is as follows:

(in thousands)	Fiscal Year Ended September 30,		
	2020	**2019**	**2018**
Revenues:			
Alico Citrus	$ 89,369	$ 119,031	$ 78,121
Land Management and Other Operations	3,138	3,220	3,160
Total revenues	92,507	122,251	81,281
Operating expenses:			
Alico Citrus	72,281	59,594	51,709
Land Management and Other Operations	2,307	2,297	3,979
Total operating expenses	74,588	61,891	55,688
Gross profit (loss):			
Alico Citrus	17,088	59,437	26,412
Land Management and Other Operations	831	923	(819)
Total gross profit	17,919	60,360	25,593
Capital expenditures:			
Alico Citrus	21,705	20,000	15,968
Land Management and Other Operations	—	—	304
Other Capital Expenditures	—	—	80
Total capital expenditures	21,705	20,000	16,352
Depreciation, depletion and amortization:			
Alico Citrus	13,822	12,935	12,546
Land Management and Other Operations	185	173	219
Other Depreciation, Depletion and Amortization	513	816	991
Total depreciation, depletion and amortization	$ 14,520	$ 13,924	$ 13,756

(in thousands)	September 30,	
	2020	2019
Assets:		
Alico Citrus	$ 406,763	$ 401,212
Land Management and Other Operations	15,367	15,332
Other Corporate Assets	1,807	844
Total Assets	$ 423,937	$ 417,388

Note 13. Employee Benefits Plans

Management Security Plan

The management security plan ("MSP") was a nonqualified, noncontributory defined supplemental deferred retirement benefit plan for a select group of management personnel. The MSP was set up to provide a fixed supplemental retirement benefit for 180 months. The MSP was frozen as of September 30, 2017. As a result, no new participants were being added to the MSP and no further benefits were accumulating.

The MSP benefit expense and the projected management security plan benefit obligation were determined using assumptions as of the end of the respective year. The weighted-average discount rate used to compute the obligation was 4.08% in fiscal year 2019.

Actuarial gains or losses were recognized when incurred; therefore, the end of year benefit obligation was the same as the accrued benefit costs recognized in the Consolidated Balance Sheets.

The amount of MSP benefit expense charged to costs and expenses was as follows:

(in thousands)	Fiscal Year Ended September 30,		
	2020	2019	2018
Service cost	$ —	$ —	$ —
Interest cost	195	171	293
MSP termination adjustments	—	985	—
Recognized actuarial gain (loss) adjustment	12	13	16
Total	$ 207	$ 1,169	$ 309

The following provides a roll-forward of the MSP benefit obligation:

(in thousands)	September 30,	
	2020	2019
Change in projected benefit obligation:		
Benefit obligation at beginning of year	$ 5,226	$ 4,397
Interest cost	195	171
Benefits paid	(258)	(340)
MSP termination adjustments	—	985
MSP termination benefits payment	(5,175)	—
Recognized actuarial gain adjustment	12	13
Benefit obligation at end of year	$ —	$ 5,226
Funded status at end of year	$ —	$ (5,226)

Effective September 30, 2018, the Company terminated the MSP. Under the MSP termination, payout for benefits covered utilizing the applicable Internal Revenue Code regulations were not able to be commenced until at least twelve months following plan termination decision, but needed to be fully paid out within twenty-four (24) months following plan termination. During August 2020, the Company caused the MSP to pay the lump sum termination benefits of approximately $5,175,000 to all MSP beneficiaries.

During the fiscal year ended September 30, 2019, the Company determined to pay out a lump sum under the equivalent annuity approach, whereby the payout under this approach was designed to mitigate participants tax burden. Under this approach, the Company would cover the amount needed to purchase an annuity providing the same after-tax benefit as if the plan was never terminated. As a result, the Company recorded an additional liability of approximately $720,000.

The Company had established a "Rabbi Trust" to provide for the potential funding of accrued benefits under the MSP. According to the terms of the Rabbi Trust, funding was voluntary until a change of control of the Company as defined in the Management Security Plan Trust Agreement occurs. Upon a change of control, funding would be triggered. As of September 30, 2020, the Rabbi Trust had no assets, and no change of control had occurred.

Profit Sharing and 401(k) Plans

The Company maintains a 401(k) employee savings plan for eligible employees, which provides up to a 4% matching contribution payable on employee payroll deferrals. The Company's matching funds vest to the employee immediately, pursuant to a safe harbor election effective in October 2012. The Company's contribution to the plan was approximately $397,000, $380,000 and $342,000 for the fiscal years ended September 30, 2020, 2019 and 2018, respectively.

The Company also maintains a Profit Sharing Plan ("Plan") that is fully funded by contributions from the Company. Contributions to the Plan are discretionary and determined annually by the Company's Board of Directors. Contributions to employee accounts are based on the participant's compensation. The Company did not contribute to the Plan for the fiscal years ended September 30, 2020, 2019 and 2018, respectively.

Note 14. Related Party Transactions

Clayton G. Wilson

The Company entered into a Separation and Consulting Agreement with Clayton G. Wilson (the "Separation and Consulting Agreement"), pursuant to which Mr. Wilson stepped down as Chief Executive Officer of the Company effective as of December 31, 2016. Under the Separation and Consulting Agreement, Mr. Wilson also acknowledged and agreed that he would continue to be bound by the restrictive covenants set forth in his Employment Agreement with the Company. The Separation and Consulting Agreement provided that, subject to his execution, delivery, and non-revocation of a general release of claims in favor of the Company, Mr. Wilson would be entitled to vesting of any unvested portion of the restricted stock award granted to him under his Employment Agreement. In addition, the Separation and Consulting Agreement provided that Mr. Wilson serve as a consultant to the Company during 2017 and would receive an aggregate consulting fee of $750,000 for such services (payable $200,000 in an initial lump sum, $275,000 in a lump sum on July 1, 2017, and $275,000 in six equal monthly installments commencing July 31, 2017 and ending December 31, 2017). As of December 31, 2017, the Company satisfied its obligation to Mr. Wilson in full. The Company expensed approximately $0, $0 and $187,500 under the Separation and Consulting Agreement for the fiscal years ended September 30, 2020, 2019 and 2018, respectively. Mr. Wilson resigned as a member of the Company's Board of Directors effective February 27, 2017.

Henry R. Slack and George R. Brokaw

On December 31, 2016, the Company entered into new employment agreements (collectively, the "Employment Agreements") with Henry R. Slack, and George R. Brokaw. Mr. Slack previously served as the Executive Chairman of the Company, and Mr. Brokaw previously served as the Executive Vice Chairman of the Company, and each of them continues to serve on the Company's Board of Directors. The Employment Agreements provided for an annual base salary of $250,000 in the case of Mr. Slack and provides for an annual base salary of $250,000 in the case of Mr. Brokaw.

Beginning June 26, 2017, both Messrs. Slack and Brokaw agreed to waive payment of their salaries.

Effective July 1, 2019, Mr. Slack resigned his employment with the Company as Executive Chairman. Effective December 31, 2019, Mr. Brokaw resigned his employment with the Company as Executive Vice Chairman. Mr. Slack and Mr. Brokaw continue to serve on the Board of the Company.

Remy W. Trafelet

As described above, on February 11, 2019 and as contemplated by the Alico Settlement Agreement, Mr. Trafelet submitted to the Board his resignation as President and Chief Executive Officer of the Company and a member of the Board, effective upon the execution of the Alico Settlement Agreement. Also, on February 11, 2019, as contemplated by the Settlement Agreement, the Company entered into a consulting agreement (the "Consulting Agreement") with Mr. Trafelet and 3584 Inc., an entity controlled by Mr. Trafelet (the "Consultant"). Pursuant to the Consulting Agreement, Mr. Trafelet will make himself available to provide consulting services to the Company through the Consultant for up to 24 months. In exchange for the consulting services, the Consultant will receive an annual consulting fee of $400,000. The Company recorded an expense of $800,000, representing the full amount due under the agreement, in fiscal year 2019 upon the execution of the agreement. The Company has paid approximately $400,000 and $254,000 in consulting fees for the fiscal years ended September 30, 2020 and 2019, respectively. If the Company terminates the consulting period (other than in certain specified circumstances), the Company will continue to pay the consulting fees described above.

Shared Services Agreement

The Company had a shared services agreement with Trafelet Brokaw Capital Management, L.P. ("TBCM"), whereby the Company reimbursed TBCM for use of office space and various administrative and support services. The agreement expired December 31, 2018 and was not extended or renewed. The annual cost of the office and services was approximately $618,000. The Company expensed approximately $0, $155,000 and $592,000 for the fiscal years ended September 30, 2020, 2019 and 2018, respectively. As of September 30, 2020 and 2019, the Company did not have any outstanding amounts with TBCM.

Capital Contribution

On September 10, 2020, all operating partners of Citree received a funding notice relating to an additional Cash Capital Contribution ("Contribution") requirement of approximately $600,000 as a result of trees producing limited revenue because they are still in early stage development, a reduction in market price for citrus fruit for the 2019/20 harvest season due to excess inventories and the adoption of a more extensive caretaking plan focused on limiting the impact of citrus greening. The Company's portion of the Contribution was approximately $306,000 and was funded on September 24, 2020. The remaining portion of the Contribution of $294,000 was funded by the noncontrolling parties.

On April 16, 2018, all operating partners of Citree received a funding notice relating to an additional Cash Capital Contribution requirement of approximately $2,041,000 as a result of Hurricane Irma, which reduced the amount of crop available for sale in the 2017/2018 harvest season and the Company's adoption of a more extensive caretaking plan focused on limiting the impact of citrus greening. The Company's portion of the Contribution was approximately $1,041,000 and was funded on April 27, 2018. The remaining portion of the Contribution of $1,000,000 was funded by the noncontrolling parties.

Distribution of Shares by Alico's Largest Shareholder

On November 12, 2019, 734 Investors, the Company's largest shareholder, distributed the 3,173,405 shares of Company common stock held by it, on a pro rata basis, to its members. The Company understands that this share distribution was made in anticipation of a subsequent dissolution of 734 Investors. Transfers of these shares are not registered on any current Alico registration statement, but the shares are potentially transferable pursuant to Rule 144, subject to certain customary restrictions.

Note 15. Commitments and Contingencies

Operating Leases

The Company has obligations under various non-cancelable long-term operating leases primarily for office space and equipment. In addition, the Company has various obligations under other equipment leases of less than one year.

Total rent expense was approximately $308,000, $450,000 and $1,062,000 for the fiscal years ended September 30, 2020, 2019 and 2018, respectively.

The future minimum annual rental payments under non-cancelable operating leases are as follows:

(in thousands)		
2021	$	519
2022		324
2023		48
Total	$	891

Purchase Commitments

The Company enters into contracts for the purchase of citrus trees during the normal course of its business. As of September 30, 2020, the Company had approximately $3,014,000 relating to outstanding commitments for these purchases that will be paid upon delivery of the remaining citrus trees.

Letters of Credit

The Company had outstanding standby letters of credit in the total amount of approximately $399,000 and $460,000 at September 30, 2020 and September 30, 2019, respectively, to secure its various contractual obligations.

Legal Proceedings

Florida Litigation

On November 16, 2018, 734 Agriculture, RCF 2014 Legacy LLC, Delta Offshore Master II, LTD. and Mr. Remy W. Trafelet (the “Trafelet Parties”), who was at the time the Company's President and Chief Executive Officer and a member of the Board of Directors, filed a lawsuit against Messrs. George R. Brokaw, Henry R. Slack, W. Andrew Krusen and Greg Eisner, members of the Board of Directors, in the Circuit Court (the “Circuit Court”) for Hillsborough County, Florida (the “Florida Litigation”). The Trafelet Parties sought, among other things, a declaration that (1) a purported stockholder action by written consent, delivered to the Company in the name of 734 Investors and the plaintiffs in the Florida Litigation on November 11, 2018 (the “Purported Consent”) was valid and binding, (2) the resolutions passed at a meeting of the Board of Directors on November 12, 2018, to, among other things, constitute an ad hoc committee of the Board of Directors to consider, evaluate and make any and all determinations, and to take any and all actions, on behalf of the Board of Directors, in connection with the Purported Consent were null and void and (3) the four defendants in the Florida Litigation were properly removed from the Board of Directors by the Purported Consent. On November 27, 2018, the Circuit Court denied without prejudice plaintiffs’ motion for a temporary restraining order and an affirmative injunction restoring Mr. Trafelet from administrative leave to active status in his capacity as President and CEO of the Company.

On November 28, 2018, the parties in the Florida Litigation stipulated to an order which provided, pending the resolution of the Delaware Litigation (as defined below), that (1) the record date for the Purported Consent was stayed indefinitely, and (2) Mr. Trafelet and the Company’s Board of Directors should not take any action out of routine day-to-day operations conducted in the ordinary course of business, including any action to change the corporate governance of Alico or removing any corporate officers or directors from positions held as of November 27, 2018.

On December 6, 2018, the Trafelet Parties filed an amended complaint in the Florida Litigation which added the Company and Benjamin D. Fishman, a member of the Board of Directors, as defendants. On December 21, 2018, the Trafelet Parties filed a renewed motion for a preliminary injunction restoring Mr. Trafelet from administrative leave to active status in his capacity as President and CEO of the Company. On January 14, 2019, the defendants in the Florida Litigation filed an opposition to plaintiffs’ renewed motion for a preliminary injunction. On January 18, 2019, the defendants in the Florida Litigation filed a motion to dismiss the plaintiffs’ amended complaint.

On February 11, 2019, the parties to the Florida Litigation entered into a settlement agreement (the “Alico Settlement Agreement”) wherein the parties agreed to promptly dismiss all claims in the Florida Litigation. Pursuant to the Alico Settlement Agreement, Mr. Trafelet agreed to voluntarily resign as President and Chief Executive Officer and as a member of the Board of Directors, effective upon the execution of the Alico Settlement Agreement.

As contemplated by the Alico Settlement Agreement, on February 11, 2019, the Company entered into a consulting agreement (the “Consulting Agreement”) with Mr. Trafelet and 3584 Inc., an entity controlled by Mr. Trafelet (the “Consultant”). Pursuant to the Consulting Agreement, Mr. Trafelet agreed to make himself available to provide consulting services to the Company through the Consultant for up to 24 months. In exchange for the consulting services, the Consultant is receiving an annual consulting fee of $400,000. If the Company terminates the consulting period (other than in certain specified circumstances), the Company will continue to pay the consulting fees described in the immediately preceding sentence through the balance of the 24-month term. As such, the Company recorded the $800,000 as an expense for the fiscal year ended September 30, 2019.

In addition, on February 11, 2019, as contemplated by the Alico Settlement Agreement, the Company entered into a Registration Rights Agreement (the “Registration Rights Agreement”) with Mr. Trafelet, relating to the shares of the Company’s common stock directly held by the Trafelet Parties as of February 11, 2019 (the “Registrable Securities”). The Registration Rights Agreement required the Company to, among other things and subject to the terms and conditions thereof, use reasonable best efforts to file with the SEC a registration statement on Form S-3 covering the resale of the Registrable Securities. On October 10, 2019, Mr. Trafelet executed a waiver whereby he waived the S-3 Registration Rights but maintained all other rights arising under the Registration Rights Agreement and all rights arising under Section 14 of the Alico Settlement Agreement.

Delaware Litigation

On November 20, 2018, members of 734 Investors filed a lawsuit against 734 Agriculture and Mr. Trafelet, who was at the time the Company's President and Chief Executive Officer and a member of the Board of Directors in the Delaware Court of Chancery (the "Delaware Court"), captioned Arlon Valencia Holdings v. Trafelet, C.A. No. 2018-0842-JTL (the “Members’ Delaware Litigation”). The plaintiffs sought, among other things, a declaration that (1) 734 Agriculture was validly replaced as the managing member of 734 Investors pursuant to the Amended and Restated Limited Liability Company Operating Agreement of 734 Investors (the “LLC Agreement”) and November 19, 2018 resolution by written consent to remove 734 Agriculture as managing member of 734 Investors, and to designate Arlon Valencia Holdings, LLC as the new managing member of 734 Investors (the “734 Consent”), and (2) the Purported Consent was invalid under the LLC Agreement.

Also, on November 20, 2018, 734 Agriculture filed a lawsuit contesting the 734 Consent in the Delaware Court, captioned 734 Agriculture v. Arlon Valencia Holdings, LLC, C.A. No. 2018-0844-JTL (the "734 Delaware Litigation"). On November 27, 2018, the Delaware Court entered a stipulated order consolidating the Members' Delaware Litigation and the 734 Delaware Litigation into a single lawsuit, captioned In re 734 Investors, LLC Litigation, Consol. C.A. No. 2018-0844-JTL (the consolidated suit, the "Delaware Litigation").

On December 5, 2018, the Delaware Court entered a stipulated status quo order which provided, among other things, that 734 Agriculture was to serve as the managing member of 734 Investors during the pendency of the Delaware Litigation. The status quo order also provided that 734 Agriculture would not be permitted to take any actions outside of the ordinary course of business of 734 Investors without the consent of two-thirds of the membership interests of 734 Investors, including exercising any voting rights with respect to any shares of the Company's common stock beneficially owned by 734 Investors.

On February 11, 2019, Mr. Trafelet, 734 Agriculture, 734 Investors, and certain members of 734 Investors entered into a settlement agreement (the "734 Investors Settlement Agreement") wherein the parties agreed to promptly dismiss all claims in the Delaware Litigation. Pursuant to the 734 Investors Settlement Agreement, 734 Agriculture resigned as Managing Member of 734 Investors and Arlon Valencia Holdings, LLC was confirmed as Managing Member of 734 Investors.

From time to time, Alico may be involved in litigation relating to claims arising out of its operations in the normal course of business. There are no current legal proceedings to which the Company is a party or of which any of its property is subject that it believes will have a material adverse effect on its financial position, results of operations or cash flows.

Note 16. Selected Quarterly Financial Data (unaudited)

Summarized quarterly financial data for the fiscal years ended September 30, 2020, and 2019 are computed independently each quarter, therefore, the sum of the quarter amounts may not equal the total amount for the respective year due to rounding as follows:

(in thousands, except per share amounts)	Fiscal Quarter Ended							
	December 31,		March 31,		June 30,		September 30,	
	2019	2018	2020	2019	2020	2019	2020	2019
Total operating revenues	$ 11,005	$ 14,779	$ 50,515	$ 48,521	$ 26,122	$ 57,565	$ 4,865	$ 1,386
Total operating expenses	5,391	11,597	43,898	32,207	19,902	31,561	5,397	(13,474)
Gross profit (loss)	5,614	3,182	6,617	16,314	6,220	26,004	(532)	14,860
General and administrative expenses	2,760	3,450	2,953	4,654	2,556	2,682	2,729	4,360
Other (expense) income, net	(1,595)	(2,864)	1,398	(1,972)	(1,405)	(1,623)	26,058	11,478
Income (loss) before income taxes	1,259	(3,132)	5,062	9,688	2,259	21,699	22,797	21,978
Income tax (benefit) expense	361	(629)	1,496	2,228	171	5,483	5,635	5,701
Net (loss) income	898	(2,503)	3,566	7,460	2,088	16,216	17,162	16,277
Net (income) loss attributable to noncontrolling interests	(107)	36	5	87	8	28	42	232
Net income (loss) attributable to Alico Inc. common stockholders	$ 791	$ (2,467)	$ 3,571	$ 7,547	$ 2,096	$ 16,244	$ 17,204	$ 16,509
Earnings (loss) per share:								
Basic	$ 0.11	$ (0.33)	$ 0.48	$ 1.01	$ 0.28	$ 2.17	$ 2.29	$ 2.21
Diluted	$ 0.11	$ (0.33)	$ 0.48	$ 1.01	$ 0.28	$ 2.17	$ 2.29	$ 2.21

Total operating expenses for the fiscal quarter ended September 30, 2019 includes insurance proceeds received of approximately $486,000 in additional property and casualty claims reimbursement relating to Hurricane Irma (see Note 3. "Inventories") and block grants of approximately $15,597,000 under the Florida Citrus Recovery Block Grant ("CRBG") program relating to Hurricane Irma. General and administrative expenses for the fiscal quarter ended September 30, 2019 include pension expense of $935,000 relating to termination of employee benefit plan (see Note 13. "Employee Benefit Plans" for further detail). Other income for the fiscal quarter ended September 30, 2019 includes a gain on sale of assets of approximately $13,166,000 (see Note 4. "Assets Held For Sale" and Note 5. "Property and Equipment, Net" for further information). Operating revenues and operating expenses for the fiscal quarter ended September 30, 2020 include approximately $3,246,000 and approximately $2,951,000, respectively, relating to the grove management services being provided to a third-party. Other income for the fiscal quarter ended September 30, 2020 includes a gain on sale of assets of approximately $27,470,000 (see Note 4. "Assets Held For Sale" and Note 5. "Property and Equipment, Net" for further information).

Note 17. Subsequent Event

On December 2, 2020, the Board of Directors of the Company declared a first quarter of fiscal year 2021 cash dividend of $0.18 per share on its outstanding common stock to be paid to shareholders of record as of December 24, 2020, with payment expected on January 8, 2021.

In November 2020, the Company awarded 5,885 shares of restricted stock to certain officers and managers under the 2015 Plan.

On October 30, 2020, the Company purchased approximately 3,280 gross citrus acres located in Hendry County for a purchase price of $16.5 million.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

(a) *Evaluation of Disclosure Controls and Procedures.*

Our Principal Executive Officer and Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) as of the end of the period covered by this report. Based on this evaluation, our Principal Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective.

(b) *Changes in Internal Control over Financial Reporting.*

During the fourth fiscal quarter ended September 30, 2020, there were no changes in our internal controls over financial reporting that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting.

(c) *Management Report on Internal Control Over Financial Reporting*

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company’s internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company’s internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records, that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the financial statements.

Management assessed the effectiveness of the Company’s internal control over financial reporting as of September 30, 2020. In making this assessment, management used the criteria described in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

Based on our assessment and those criteria, management concluded that our internal control over financial reporting was effective as of September 30, 2020. Management reviewed the results of their assessment with our Audit Committee. The effectiveness of our internal control over financial reporting as of September 30, 2020 has been audited by RSM US LLP, an independent registered public accounting firm, as stated in their attestation report which is included herein.

Item 9B. Other Information

None.

PART III

Certain information required by Part III is omitted from this Annual Report on Form 10-K because we will file a definitive Proxy Statement for the 2021 Annual Meeting of Shareholders pursuant to Regulation 14A of the Securities Exchange Act of 1934, (the "Proxy Statement"), not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K, and the applicable information included in the Proxy Statement is incorporated herein by reference.

Item 10. Directors, Executive Officers and Corporate Governance

Information concerning our directors and nominees and other information as required by this Item 10 are hereby incorporated by reference from our Proxy Statement to be filed with the SEC pursuant to Regulation 14A.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics that is intended to serve as a code of ethics for purposes of Item 406 of Regulation S-K. Our Code of Business Conduct and Ethics is posted on our website *http://www.alicoinc.com* (at the Investor homepage under "Corporate Governance") and we intend to disclose on our website any amendments to, or waiver from, such code.

Item 11. Executive Compensation

The information required by Item 11 regarding executive compensation is included under the headings "Compensation Discussion and Analysis," "Compensation Committee Report" and "Compensation Committee Interlocks and Insider Participation" in the Proxy Statement to be filed with the SEC pursuant to Regulation 14A.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information concerning the ownership of certain beneficial owners and management and related stockholder matters as required by this Item 12 is hereby incorporated by reference to the Proxy Statement to be filed with the SEC pursuant to Regulation 14A.

Equity Compensation Arrangements

Effective January 27, 2015, the Board of Directors adopted the 2015 Stock Incentive Plan (the "2015 Plan") which provides for up to 1,250,000 shares of the Company's common stock to be available for issuance to provide a long-term incentive plan for officers, employees, directors and/or consultants to directly link incentives to stockholders' value. The 2015 Plan was approved by stockholders in February 2015.

The following table illustrates the common shares remaining available for future issuance under the 2015 Plan as of September 30, 2020:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity plans
Plan Category:			
Equity compensation plans approved by security holders	293,000	$ 32.09	939,500
Equity compensation plans not approved by security holders	—	N/A	—
Total	293,000	$ 32.09	939,500

In November 2017, the Company awarded 5,000 restricted shares to one senior executive under the 2015 Plan.

In September 2018, the Company awarded 300,000 stock options to two senior executives under the 2015 Plan. Additionally, in September 2018, two other senior executives forfeited an aggregate of 375,000 stock options, which were originally issued under the 2015 Plan and no replacement options were granted.

In October 2018, the Company awarded 10,000 stock options to one senior executive under the 2015 Plan.

In October 2019, the Company awarded 118,000 stock options to senior managers and certain other managers under the 2015 Plan. Additionally, in each of February 2020 and August 2020, one former senior executive forfeited 26,250 stock options, aggregating 52,500 in total, which were originally issued under the 2015 Plan and no replacement options were granted.

In February 2019, pursuant to a settlement agreement, a senior executive of the Company forfeited an aggregate of 457,500 stock options, which were originally issued under the 2015 Plan and no replacement options were granted.

Item 13. Certain Relationships and Related Transactions and Director Independence

The information concerning relationships and related transactions as required by this Item 13 is hereby incorporated by reference to our Proxy Statement to be filed with the SEC pursuant to Regulation 14A.

Item 14. Principal Accountants Fees and Services

Information concerning principal accounting fees and services as required by this Item 14 is hereby incorporated by reference to the Proxy Statement to be filed with the SEC pursuant to Regulation 14A.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Documents filed as part of this report

(1) Financial Statements:

Our Consolidated Financial Statements are included in Part II, Item 8 of this Annual Report on Form 10-K.

(2) Financial Statement Schedules:

Financial statement schedules are omitted as the required information is either inapplicable or the information is presented in our Consolidated Financial Statements or notes thereto.

(3) Exhibits

The exhibits listed in the Exhibit Index in (b) below are filed or incorporated by reference as part of this Annual Report on Form 10-K.

(b) Exhibit Index

Exhibit Number	Exhibit Index
2.1***	Asset Purchase Agreement, dated as of December 1, 2014, by and among Alico, Inc., Orange-Co, LP, and, solely with respect to certain sections thereof, Orange-Co, LLC and Tamiami Citrus, LLC. (incorporated by reference to Exhibit 2.1 of Alico's filing on Form 8-K dated December 5, 2014)
2.2***	Agreement and Plan of Merger, dated as of December 2, 2014, by and among Alico, Inc., 734 Sub, LLC, 734 Citrus Holdings, LLC, and, solely with respect to certain sections thereof, 734 Agriculture, LLC, Rio Verde Ventures, LLC and Clayton G. Wilson (incorporated by reference to Exhibit 2.2 of Alico's filing on Form 8-K dated December 5, 2014)
3.1	Restated Certificate of Incorporation, dated February 17, 1972 (incorporated by reference to Exhibit 3.1 of Alico's filing on Form 10-K dated December 11, 2017)
3.2	Certificate of Amendment to Certificate of Incorporation, dated January 14, 1974 (incorporated by reference to Alico's Registration Statement on Form S-8, dated December 21, 2005, Registration No. 333-130575)
3.3	Amendment to Articles of Incorporation, dated January 14, 1987 (incorporated by reference to Alico's Registration Statement on Form S-8, dated December 21, 2005, Registration No. 333-130575)
3.4	Amendment to Articles of Incorporation, dated December 27, 1988 (incorporated by reference to Alico's Registration Statement on Form S-8, dated December 21, 2005, Registration No. 333-130575)
3.5	By-Laws of Alico, Inc., amended and restated (incorporated by reference to Exhibit 3.5 of the Company's quarterly report on Form 10-Q, filed with the SEC on August 6, 2019)
4.1	Description of Securities
10.1	Credit Agreement dated as of December 1, 2014, by and between Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, L.L.C., Alico Land Development, Inc., and Alico Citrus Nursery, L.L.C., as Borrowers and Rabo Agrifinance, Inc., as Lender (incorporated by reference to Exhibit 10.2 of Alico's filing on Form 8-K dated December 5, 2014)
10.2	Purchase and Sale Agreement dated August 7, 2014 (incorporated by reference to Exhibit 10.10 of Alico's filing on Form 10-K dated December 12, 2014)
10.3*	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.5 of the Company's quarterly report on Form 10-Q filed with the SEC on May 6, 2013)
10.4*	Management Security Plan(s) Trust Agreement (incorporated by reference to Exhibit 10.6 of the Company's quarterly report on Form 10-Q filed with the SEC on May 6, 2013)
10.5	Agricultural Lease Agreement dated May 19, 2014 between Alico, Inc. and United States Sugar Corporation. (incorporated by reference to Exhibit 10.1 of the Company's quarterly report on Form 10-Q filed with the SEC on August 11, 2014)
10.6***	First Amended and Restated Credit Agreement, dated as of December 1, 2014, by and among Alico, Inc., Alico Land Development, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Metropolitan Life Insurance Company, and New England Life Insurance Company (incorporated by reference to Exhibit 10.1 of Alico's filing on Form 8-K dated December 5, 2014)
10.7***	Credit Agreement dated as of December 1, 2014, by and between Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development, Inc., and Alico Citrus Nursery, LLC, as Borrowers and Rabo Agrifinance, Inc., as Lender (incorporated by reference to Exhibit 10.2 of Alico's filing on Form 8-K dated December 5, 2014)

10.8	Shared Services Agreement by and between Alico, Inc. and Trafelet Brokaw Capital Management, L.P. dated July 23, 2018 (incorporated by reference to Exhibit 10.1 of Alico's filing on Form 10-Q dated August 6, 2018)
10.9	Loan Agreement, dated December 31, 2012, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC (the "Prudential Loan Agreement") (incorporated by reference to Exhibit 10.16 of Alico’s filing on Form 10-K dated December 10, 2015)
10.10	Promissory Note A, dated December 31, 2012, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC (incorporated by reference to Exhibit 10.17 of Alico’s filing on Form 10-K dated December 10, 2015)
10.11	Promissory Note B, dated December 31, 2012, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC (incorporated by reference to Exhibit 10.18 of Alico’s filing on Form 10-K dated December 10, 2015)
10.12	Promissory Note C, dated December 31, 2012, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC (incorporated by reference to Exhibit 10.19 of Alico’s filing on Form 10-K dated December 10, 2015)
10.13	First Amendment to Loan Agreement, dated March 26, 2013 (Prudential Loan Agreement) (incorporated by reference to Exhibit 10.20 of Alico’s filing on Form 10-K dated December 10, 2015)
10.14	Promissory Note D, dated March 26, 2013, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC (incorporated by reference to Exhibit 10.21 of Alico’s filing on Form 10-K dated December 10, 2015)
10.15	Loan Agreement, dated September 4, 2014, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC ("Loan E and F") (incorporated by reference to Exhibit 10.22 of Alico’s filing on Form 10-K dated December 10, 2015)
10.16	Promissory Note E, dated September 4, 2014, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC (incorporated by reference to Exhibit 10.23 of Alico’s filing on Form 10-K dated December 10, 2015)
10.17	Promissory Note F, dated September 4, 2014, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC (incorporated by reference to Exhibit 10.24 of Alico’s filing on Form 10-K dated December 10, 2015)
10.18	First Amendment to Loan Agreement, dated April 23, 2015 (Loan E and F) (incorporated by reference to Exhibit 10.25 of Alico’s filing on Form 10-K dated December 10, 2015)
10.19	Second Amendment to the Loan Agreement, dated September 4, 2014 (Prudential Loan Agreement) (incorporated by reference to Exhibit 10.26 of Alico’s filing on Form 10-K dated December 10, 2015)
10.20	Third Amendment to the Loan Agreement, dated April 23, 2015 (Prudential Loan Agreement) (incorporated by reference to Exhibit 10.27 of Alico’s filing on Form 10-K dated December 10, 2015)
10.21	Cancellation and Termination of Note D, dated April 23, 2015, by and among 734 Citrus Holdings, LLC, 734 LMC Groves, LLC, 734 Co-Op Groves, LLC, 734 BLP Groves, LLC, 734 Harvest LLC and Prudential Mortgage Capital Company, LLC (incorporated by reference to Exhibit 10.28 of Alico’s filing on Form 10-K dated December 10, 2015)
10.22	First Amendment to Credit Agreement and Consent with Rabo Agrifinance, Inc. dated February 26, 2015 (incorporated by reference to Exhibit 10.29 of Alico’s filing on Form 10-K dated December 10, 2015)
10.23	Second Amendment to Credit Agreement with Rabo Agrifinance, Inc. dated July 16, 2015 (incorporated by reference to Exhibit 10.30 of Alico’s filing on Form 10-K dated December 10, 2015)
10.24	Amendment to First Amended and Restated Credit Agreement with Metropolitan Life Insurance Company and New England Life Insurance Company, dated February 1, 2015 (incorporated by reference to Exhibit 10.31 of Alico’s filing on Form 10-K dated December 10, 2015)
10.25	Second Amendment to First Amended and Restated Credit Agreement with Metropolitan Life Insurance Company and New England Life Insurance Company dated August 12, 2015 (incorporated by reference to Exhibit 10.32 of Alico’s filing on Form 10-K dated December 10, 2015)
10.26***	Third Amendment to First Amended and Restated Credit Agreement with Metropolitan Life Insurance Company and New England Life Insurance Company dated November 4, 2019 (incorporated by reference to Exhibit 10.26 of Alico’s filing on Form 10-K dated December 5, 2019)
10.27	Fourth Amendment to First Amended and Restated Credit Agreement with Metropolitan Life Insurance Company and New England Life Insurance Company dated October 2, 2019 (incorporated by reference to Exhibit 10.27 of Alico’s filing on Form 10-K dated December 5, 2019)
10.28	Renewal Promissory Note by Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., and Alico Citrus Nursery, LLC in favor of Rabo Agrifinance, LLC (f/k/a Rabo Agrifinance, Inc.) dated September 30, 2016 (incorporated by reference to Exhibit 10.34 of Alico's filing on Form 10-K dated December 6, 2016)
10.29	Second Renewal Promissory Note by Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., and Alico Citrus Nursery, LLC in favor of Rabo Agrifinance, LLC (f/k/a Rabo Agrifinance, Inc.) dated September 6, 2017 (incorporated by reference to Exhibit 10.39 of Alico's filing on Form 10-K dated December 11, 2017)

10.30	Third Renewal Promissory Note by Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., and Alico Citrus Nursery, LLC in favor of Rabo Agrifinance, LLC (f/k/a Rabo Agrifinance, Inc.) dated September 26, 2018 (incorporated by reference to Exhibit 10.40 of Alico's filing on Form 10-K dated December 6, 2018)
10.31*	Employment Agreement dated June 1, 2015 between Alico, Inc. and John Kiernan (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed with the SEC on June 1, 2015)
10.32*	Separation and Consulting Agreement dated December 31, 2016 between Alico, Inc. and Clayton G. Wilson (incorporated by reference to Exhibit 10.1 of the Company's Form 8-K filed with the SEC on January 4, 2017)
10.33*	Employment Agreement dated December 31, 2016 between Alico, Inc. and Remy W. Trafelet (incorporated by reference to Exhibit 10.2 of the Company's Form 8-K filed with the SEC on January 4, 2017)
10.34*	Employment Agreement dated December 31, 2016 between Alico, Inc. and Henry R. Slack (incorporated by reference to Exhibit 10.3 of the Company's Form 8-K filed with the SEC on January 4, 2017)
10.35*	Employment Agreement dated March 27, 2013 between Alico, Inc. and George R. Brokaw (incorporated by reference to Exhibit 10.4 of the Company's Form 8-K filed with the SEC on January 4, 2017)
10.36*	Employment Agreement dated December 2, 2019 between Alico, Inc. and Richard Rallo (incorporated by reference to Exhibit 10.37 of Alico's filing on Form 10-K dated December 5, 2019)
10.37	Supplement No. 1 dated as of September 30, 2016, to the Security Agreement dated as of December 1, 2014 by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC (f/k/a Rabo Agrifinance, Inc.) (incorporated by reference to Exhibit 10.35 of Alico's filing on Form 10-K dated December 6, 2016)
10.38	Third Amendment to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC (f/k/a Rabo Agrifinance, Inc.) dated September 30, 2016 (incorporated by reference to Exhibit 10.33 of Alico's filing on Form 10-K dated December 6, 2016)
10.39	Fourth Amendment to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC (f/k/a Rabo Agrifinance, Inc.) dated September 6, 2017 (incorporated by reference to Exhibit 10.38 of Alico's filing on Form 10-K dated December 11, 2017)
10.40	Fifth Amendment to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC (f/k/a Rabo Agrifinance, Inc.) dated October 30, 2017 (incorporated by reference to Exhibit 10.37 of Alico's filing on Form 10-K dated December 6, 2018)
10.41	Sixth Amendment to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC (f/k/a Rabo Agrifinance, Inc.) dated July 18, 2018 (incorporated by reference to Exhibit 10.38 of Alico's filing on Form 10-K dated December 6, 2018)
10.42	Seventh Amendment to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC (f/k/a Rabo Agrifinance, Inc.) dated September 26, 2018 (incorporated by reference to Exhibit 10.39 of Alico's filing on Form 10-K dated December 6, 2018)
10.43	Eighth Amendment to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC (f/k/a Rabo Agrifinance, Inc.) dated August 29, 2019 (incorporated by reference to Exhibit 10.44 of Alico's filing on Form 10-K dated December 5, 2019)
10.44	Ninth Amendment and Waiver to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC (f/k/a Rabo Agrifinance, Inc.) dated June 26, 2020 (incorporated by reference to Exhibit 10.1 of Alico's filing on Form 10-Q dated August 6, 2020)
10.45	Tenth Amendment and Waiver to Credit Agreement by and among Alico, Inc., Alico-Agri, Ltd., Alico Plant World, L.L.C., Alico Fruit Company, LLC, Alico Land Development Inc., Alico Citrus Nursery, LLC and Rabo Agrifinance, LLC (f/k/a Rabo Agrifinance, Inc.) dated August 25, 2020
10.46	Settlement Agreement and Release, dated as of February 11, 2019, by and among Alico, Inc., George R. Brokaw, R. Greg Eisner, Benjamin D. Fishman, W. Andrew Krusen, Henry R. Slack, Remy W. Trafelet , 734 Agriculture, LLC, RCF 2014 Legacy LLC and Delta Offshore Master II, LTD (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on February 11, 2019.)
10.47	Registration Rights Agreement, dated as of February 11, 2019, by and between Alico, Inc. and Remy W. Trafelet (incorporated by reference from Exhibit C to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on February 11, 2019).
10.48	Consulting Agreement, dated as of February 11, 2019, by and among Alico, Inc., 3584 Inc., and Remy W. Trafelet (incorporated by reference from Exhibit B to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on February 11, 2019).
10.49*	Alico, Inc. Stock Incentive Plan of 2015 (incorporated by reference from Appendix A to the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on January 28, 2015).
10.50*	Form of Nonqualified Stock Option Agreement
10.51*	Form of Incentive Stock Option Agreement
10.52*	Form of Restricted Stock Agreement
10.53+	Alico, Inc. Orange Purchase Agreement R512 - May 20, 2020 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed with the SEC on May 21, 2019)

10.54+	Alico, Inc. Orange Purchase Agreement R514 - May 18, 2020 (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K filed with the SEC on May 21, 2019)
10.55	Option Agreement for sale and purchase (incorporate by reference to Exhibit 10.4 of Alico's filing on Form 10-Q dated August 6, 2020)
21.0	Subsidiaries of the Registrant
23.0	Consent of Independent Registered Public Accounting Firm
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 Rule 13a-14(a) certification
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 Rule 13a-14(a) certification
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350
101.INS**	Inline XBRL Instance Document
101.SCH**	Inline XBRL Taxonomy Extension Schema Document
101.CAL**	Inline XBRL Taxonomy Calculation Linkbase Document
101.DEF**	Inline XBRL Taxonomy Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	The cover page for the Company's Annual Report on Form 10-K for the year ended September 30, 2020, has been formatted in Inline XBRL

* Denotes a management contract or compensatory plan, contract or arrangement.

** In accordance with Rule 406T of Regulation S-T, these XBRL (eXtensible Business Reporting Language) documents are furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability under these sections.

*** Certain schedules and exhibits have been omitted from this filing pursuant to Item 601(b) (2) of Regulation S-K. The Company will furnish supplemental copies of any such schedules or exhibits to the SEC upon request.

\+ Pursuant to Item 601(b)(10)(iv) of Regulation S-K promulgated by the SEC, certain portions of this exhibit have been redacted. The Company hereby agrees to furnish supplementally to the SEC, upon its request, an unredacted copy of this exhibit.

Item 16. Form 10-K Summary

Not applicable.

Pursuant to the requirements of Section 13 or 15(d) 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)

December 8, 2020	By:	/s/ John E. Kiernan **John E. Kiernan** **President and Chief Executive Officer (Principal Executive Officer)**

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:

December 8, 2020	President and Chief Executive Officer (Principal Executive Officer)	/s/ John E. Kiernan **John E. Kiernan**
December 8, 2020	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	/s/ Richard Rallo **Richard Rallo**
December 8, 2020	Director: Executive Chairman	/s/ Benjamin D. Fishman **Benjamin D. Fishman**
December 8, 2020	Director	/s/ George R. Brokaw **George R. Brokaw**
December 8, 2020	Director	/s/ R. Greg Eisner **R. Greg Eisner**
December 8, 2020	Director	/s/ Henry R. Slack **Henry R. Slack**
December 8, 2020	Director	/s/ W. Andrew Krusen **W. Andrew Krusen**
December 8, 2020	Director	/s/ Toby K. Purse **Toby K. Purse**
December 8, 2020	Director	/s/ Katherine English **Katherine English**
December 8, 2020	Director	/s/ Adam Putnam **Adam Putnam**

Exhibit 4.1

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

The following description sets forth certain material terms and provisions of Alico, Inc.'s (the "Company," "we," "us," and "our") securities that are registered under Section 12 of the Securities Exchange Act of 1934, as amended.

DESCRIPTION OF CAPITAL STOCK

The following description of our common stock and preferred stock summarizes the material terms and provisions of our common stock and preferred stock.It is subject to, and qualified in its entirety by reference to, our Restated Articles of Incorporation (the "Articles of Incorporation"), and our Amended and Restated Bylaws (our "Bylaws"), each of which are incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.1 is a part. The Florida Business Corporation Act (the "FBCA") may also affect the terms of these securities.

Authorized Capital Stock

Our authorized capital stock consists of

- 15,000,000 shares of common stock, $1.00 par value per share; and
- 1,000,000 shares of preferred stock, no par value per share.

Common Stock

Dividends. Subject to preferential dividend rights of any other class or series of stock, the holders of shares of our common stock are entitled to receive dividends, including dividends of our stock. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition. The payment of any cash dividends is within the discretion of our board of directors. Further, our ability to declare dividends is limited by restrictive covenants contained in the agreements governing our indebtedness.

Registration Rights. On February 11, 2019, the Company entered into a Settlement Agreement and Release (the "Settlement Agreement") with Remy W. Trafelet, our former President and Chief Executive Officer, and certain other parties. The Settlement Agreement, via the registration rights agreement attached to the Settlement Agreement, grants registration rights to Remy W. Trafelet and his affiliates.

Liquidation. In the event we are liquidated, dissolved or our affairs are wound up, after we pay or make adequate provision for all of our known debts and liabilities, each holder of our common stock will be entitled to share ratably, in proportion to the number of shares of common stock held by such holder, in all assets that remain, subject to any rights that are granted to the holders of any class or series of preferred stock.

Voting Rights. For all matters submitted to a vote of shareholders, each holder of our common stock is entitled to one vote for each share registered in the holder's name. Holders of our common stock vote together as a single class. There is no cumulative voting in the election of our directors, which means that, subject to any rights to elect directors that are granted to the holders of any class or series of preferred stock, a majority of the votes cast at a meeting of shareholders at which a quorum is present is sufficient to elect a director.

Other Rights and Restrictions. Subject to the preferential rights of any other class or series of stock, all shares of our common stock have equal dividend, distribution, liquidation and other rights, and have no preference, appraisal or exchange rights, except for any appraisal rights provided by Florida law. Furthermore, holders of our common stock have no conversion, sinking fund or redemption rights, or preemptive rights to subscribe for any of our securities. Our Articles of Incorporation and Bylaws do not restrict the ability of a holder of our common stock to transfer the holder's shares of our common stock and do not discriminate against any existing or prospective holder of our common stock as a result of such security holder owning a substantial amount of our securities.

The rights, powers, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of holders of shares of our outstanding preferred stock and of any series of preferred stock which we may designate and issue in the future.

Listing. Our common stock is listed on the Nasdaq under the symbol ALCO.

Transfer Agent and Registrar. The transfer agent for our common stock is Computershare Inc.

Preferred Stock

Under our Articles of Incorporation we have authority, subject to any limitations prescribed by law and without further shareholder approval, to issue from time to time, as "blank check preferred," up to 1,000,000 shares of preferred stock.

The preferred stock is issuable in one or more series, each with such designations, preferences, rights, qualifications, limitations and restrictions as our board of directors may determine in resolutions providing for their issuance.

In particular, our board of directors, without further approval of the shareholders, is authorized to fix the dividend rights and terms, conversion rights, voting rights, redemption rights and terms, liquidation preferences, and any other rights, preferences, privileges and restrictions applicable to each series of the preferred stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes could, among other things, adversely affect the voting power or rights of the holders of our common stock and, under certain circumstances, make it more difficult for a third party to gain control of us, discourage bids for our common stock at a premium or otherwise adversely affect the market price of the common stock. Further, the issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of us without further action by the shareholders and may adversely affect the voting and other rights of the holders of our common stock. The issuance of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of common stock, including loss of voting control to others.

As of December 1, 2020, all 1,000,000 shares of preferred stock remain unissued and no shares of preferred stock are authorized for any specific series.

The summaries above of selected provisions of our common stock and preferred stock are qualified entirely by the provisions of our Articles of Incorporation, our Bylaws and our debt agreements, all of which are included or incorporated by reference as exhibits to our Annual Report on Form 10-K. You should read our Articles of Incorporation, our Bylaws and our debt agreements.

Anti-Takeover Effects of Florida Law, Our Articles of Incorporation and Our Bylaws

Some provisions of Florida law, our Articles of Incorporation and our Bylaws contain provisions that could make the following transactions more difficult: acquisitions of us by means of a tender offer, a proxy contest or otherwise or removal of our incumbent officers and directors. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that shareholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection and our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Anti-Takeover Effects of Florida Law

The following summarizes certain anti-takeover effects of Florida Law.

Authorized but Unissued Stock. Our authorized but unissued shares of common stock and preferred stock will be available for future issuance without shareholder approval. These additional shares may be used for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of stock may enable our board of directors to issue shares of stock to persons friendly to existing management. This may have the effect of discouraging attempts to obtain control of the Company. The perception in the market of a large number of authorized but unissued shares of our common and preferred stock could have a negative impact on the price of our common stock.

Evaluation of Impact of Acquisition Proposals on Non-Shareholder Constituencies. The FBCA expressly permits our board of directors, when evaluating any proposed tender or exchange offer, any merger, consolidation or sale of substantially all of our assets, or any similar extraordinary transaction, to consider in addition to shareholder interests all relevant factors, including, without limitation, the social, legal, and economic effects on our employees, customers and suppliers and our subsidiaries, on the communities and geographical areas in which they operate. Our board of directors may also consider the amount of consideration being offered in relation to the then current market price for outstanding shares of capital stock and our then current value in a freely negotiated transaction. Our board of directors believes that these provisions are in our long-term best interests and those of our shareholders.

The Company has sought to elect out of the provisions of Section 607.0901 of the FBCA, pertaining to affiliates transactions, and Section 607.0902 of the FBCA, pertaining to control-share acquisitions.

Our Articles of Incorporation and Our Bylaws

Provisions of our Articles of Incorporation and our Bylaws may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which shareholders might otherwise receive a premium for their shares, or transactions that our shareholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock.

Among other things, our Articles of Incorporation and Bylaws:

- provide that all vacancies, including newly created directorships, may, except as otherwise required by law or, if applicable, the rights of holders of a series of preferred stock, be filled by a majority of directors then in office, even if less than a quorum, or by the sole remaining director;

- provide that our Bylaws (other than any Bylaw that is adopted by our shareholders) can be amended by our board of directors.

In addition, our Bylaws provide for advance notice and related requirements in connection with shareholder proposals and nominations of directors by shareholders. Shareholder proposals and nominations for directors at the annual meeting of shareholders must be received in writing not less than 120 days nor more than 150 days prior to the one-year anniversary of the preceding year's annual meeting. Shareholder proposals and nominations must also be in proper form which must include, among other things, the name and address of the proposing shareholder and the number of shares directly or indirectly beneficially owned by such shareholder and information regarding the proposals or director nominees. The Bylaws also provide additional eligibility and other requirements for director nominees, requirements to call special meetings of the shareholders, and requirements to take shareholder action by written consent in lieu of a meeting.

Indemnification Provisions

Florida law authorizes a Florida corporation to indemnify its directors and officers in certain instances against certain liabilities which they may incur by virtue of their relationship with the corporation. Additionally, a Florida corporation is authorized to provide further indemnification or advancement of expenses to any of its directors, officers, employees, or agents, except for acts or omissions that constitute:

- a violation of the criminal law unless the individual had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful,
- a transaction in which the individual derived an improper personal benefit,
- in the case of a director, a circumstance under which certain liability provisions of the FBCA are applicable related to payment of dividends or other distributions or repurchases of shares in violation of the FBCA, or
- willful or intentional misconduct or a conscious disregard for the best interests of the corporation in a proceeding by or in the right of the corporation to procure a judgment in its favor or in a proceeding by or in the right of a corporation shareholder.

A Florida corporation also is authorized to purchase and maintain liability insurance for its directors, officers, employees and agent, which we have done.

Our Bylaws provide that we will indemnify our officers and directors for expenses, costs and liabilities actually and necessarily incurred in connection with the defense of any action, suit or proceeding in which an officer or director is made a party by reason of being or having been an officer or director of the Company except in relation to matters in which the officer or director shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his or her duties as such officer or director. The indemnification rights provided in our Bylaws are not exclusive of any other rights to which our officers and directors may be entitled under any Bylaws, agreements, vote of shareholders or otherwise.

We are also a party to indemnification agreements with each of our directors and executive officers. These agreements are made in recognition that our directors and executive officers need substantial protection against personal liability and specific contractual assurance that the protection promised by the Bylaws will be available to them regardless of, among other things, any amendment thereto or revocation thereof, change in the composition of our board of directors, or business combination transaction.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, or persons controlling Alico pursuant to the foregoing provisions and/or agreements, we have been informed that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Rule 144

Pursuant to Rule 144 of the Securities Act (“Rule 144”), a person who has beneficially owned restricted shares of our common stock for at least six months would be entitled to sell their securities, *provided* that (i) such person is not deemed to have been one of our affiliates at the time of, or at any time during the three months preceding, a sale and (ii) we are subject to the Exchange Act periodic reporting requirements for at least three months before the sale and have filed all required reports under Section 13 or 15(d) of the Exchange Act during the 12 months (or such shorter period as we were required to file reports) preceding the sale.

Persons who have beneficially owned restricted shares of our common stock for at least six months but who are our affiliates at the time of, or at any time during the three months preceding, a sale, would be subject to additional restrictions, by which such person would be entitled to sell within any three-month period only a number of securities that does not exceed the greater of:

- one percent (1%) of the total number of shares of common stock then outstanding; or
- the average weekly reported trading volume of the common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales by our affiliates under Rule 144 are also limited by manner of sale provisions and notice requirements and to the availability of current public information about us.

Exhibit 10.45

TENTH AMENDMENT TO CREDIT AGREEMENT

This **TENTH AMENDMENT TO CREDIT AGREEMENT** (this “***Amendment***”), is dated as of August 25, 2020, by and among **ALICO, INC.**, a Florida corporation (“***Alico***”), **ALICO-AGRI, LTD.**, a Florida limited partnership (“***Alico-Agri***”), **ALICO PLANT WORLD, L.L.C.**, a Florida limited liability company (“***Plant World***”), **ALICO FRUIT COMPANY, LLC**, a Florida limited liability company (“***Fruit Company***”), **ALICO LAND DEVELOPMENT INC.**, a Florida corporation (“***Land Development***”), **ALICO CITRUS NURSERY, LLC**, a Florida limited liability company (“***Citrus Nursery***”, and together with Alico, Alico-Agri, Plant World, Fruit Company and Land Development, each a “***Borrower***” and collectively the “***Borrowers***”), the Guarantors party hereto and **RABO AGRIFINANCE LLC** (formerly known as Rabo Agrifinance, Inc.), a Delaware limited liability company (“***Lender***”).

W I T N E S S E T H:

WHEREAS, Borrowers and Lender are parties to that certain Credit Agreement dated as of December 1, 2014, as amended by that certain First Amendment to Credit Agreement and Consent dated as of February 26, 2015, that certain Second Amendment to Credit Agreement dated as of July 16, 2015, that certain Third Amendment to Credit Agreement dated as of September 30, 2016, that certain Consent and Waiver Agreement dated as of December 20, 2016, that certain Fourth Amendment to Credit Agreement dated as of September 6, 2017, that certain Fifth Amendment to Credit Agreement dated as of October 30, 2017, that certain Sixth Amendment, Consent and Waiver to Credit Agreement dated as of July 18, 2018, that certain Seventh Amendment to Credit Agreement dated as of September 26, 2018, that certain Eighth Amendment and Waiver to Credit Agreement dated as of August 29, 2019 and that certain Ninth Amendment and Waiver to Credit Agreement dated as of June 26, 2020 (as may be further amended, restated, supplemented or otherwise modified from time to time, the “***Credit Agreement***”); and

WHEREAS, Borrowers have requested that Lender amend the Credit Agreement as more fully set forth herein, on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that all capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement, and further agree as follows:

1. Amendments to Credit Agreement.

(a) Section 1.1 of the Credit Agreement, **Defined Terms**, is hereby modified and amended by deleting the definition of “LIBO Rate” and “Revolving Credit Maturity Date” set forth therein in their entirety and inserting in lieu thereof, respectively, the following:

> ““***LIBO Rate***” means the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) and published in the “Money Rates” section of The Wall Street Journal (or if The Wall Street Journal is not available or does not publish that rate, any other authoritative source of that rate, selected by Lender from time to time

for purposes of providing quotations of interest rates applicable to dollar deposits in an amount equal to the Loans in the London interbank market at approximately 11:00 a.m., London time) on the Business Day immediately preceding the date of such determination, as the rate for dollar deposits with a one month maturity; provided, that (a) the LIBO Rate may be Adjusted from time to time in Lender's discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs, and (b) in no event shall the LIBO Rate be less than zero.

"***Revolving Credit Maturity Date***" means November 1, 2023."

(b) Section 1.1 of the Credit Agreement, **Defined Terms**, is hereby further modified and amended by adding the following new defined term thereto in appropriate alphabetical order:

""***Benchmark Transition Event***" means the occurrence of one or more of the following events with respect to the LIBO Rate:

(a) a public statement or publication of information by or on behalf of the administrator of the LIBO Rate announcing that such administrator has ceased or will cease to provide the LIBO Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBO Rate;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBO Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for the LIBO Rate, a resolution authority with jurisdiction over the administrator for the LIBO Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the LIBO Rate, which states that the administrator of the LIBO Rate has ceased or will cease to provide the LIBO Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBO Rate; or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBO Rate announcing that the LIBO Rate is no longer representative."

(c) Section 2.11 of the Credit Agreement, **Inability to Determine Rates**, is hereby modified and amended by deleting such section in its entirety and inserting in lieu thereof the following:

"**2.11 Inability to Determine Rates; Alternative Rate**.

(a) If, in connection with any Loan, no Benchmark Transition Event shall have occurred at such time but Lender determines that (i) United States dollar deposits are not being offered to banks in the London interbank market for the applicable amount of such Loan, (ii) adequate and reasonable means do not exist for determining the applicable LIBO Rate (including, without limitation, because the LIBO Rate is not available or published on a current basis), (iii) any Governmental Authority has made it illegal or imposed material restrictions on the ability of Lender to maintain or fund Loans based upon the LIBO Rate, or (iv) the applicable LIBO Rate does not adequately and fairly reflect the cost to Lender of making or maintaining that Loan, Lender will promptly so notify Administrative Borrower. Thereafter, the obligation of Lender to make or maintain any Loan bearing interest at the applicable LIBO Rate shall be suspended until Lender revokes such notice, and all Loans which would otherwise bear interest at the applicable LIBO Rate shall accrue interest at that rate, per annum, equal to a rate determined by Lender in Lender's reasonable discretion.

(b) If a Benchmark Transition Event occurs, then Lender may, by notice to Administrative Borrower, select an alternate rate of interest for the LIBO Rate that gives due consideration to the then-evolving or prevailing market convention for determining a rate of interest for loans in Dollars at such time (the "***Alternate Rate***"), and each Borrower acknowledges that the Alternate Rate may include a mathematical adjustment using any then-evolving or prevailing market convention or method for determining a spread adjustment for the replacement of the LIBO Rate (it being the intent of the parties to this Agreement that the Alternate Rate, including any such spread adjustment, will be as comparable as reasonably possible to the LIBO Rate, in accordance with any prevailing market convention). For avoidance of doubt, all references to the LIBO Rate shall be deemed to be references to the Alternate Rate when the Alternate Rate becomes effective in accordance with this section. In addition, Lender will have the right, from time to time by notice to Administrative Borrower to make technical, administrative or operational changes (including, without limitation, changes to the timing and frequency of determining rates and making payments of interest and other administrative matters) that Lender decides in its reasonable discretion may be appropriate to reflect the adoption and implementation of the Alternate Rate. The Alternate Rate, together with all such technical, administrative and operational changes as specified in any notice, shall become effective at the later of (i) the fifth Business Day after Lender has provided notice to Administrative Borrower (the "***Notice Date***") and (ii) a date specified by Lender in the notice, without any further action or consent of the Borrowers, so long as Lender has not received, by 5:00 pm St. Louis, Missouri time on the Notice Date, written notice of objection to the Alternate Rate from the Borrowers. Any determination, decision, or election that may be made by Lender pursuant to this section, including any determination with respect to a rate or adjustment or the occurrence or non-occurrence of an event, circumstance or date, and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from the Borrowers. In no event shall the Alternate Rate be less than zero. Lender does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the LIBO Rate or the Alternate Rate or with respect to any alternative, successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of the LIBO Rate or have the same volume or liquidity as did the LIBO Rate prior to its discontinuance or unavailability."

2. No Other Amendments or Waivers. Except as expressly set forth above, the execution, delivery and effectiveness of this Amendment shall not operate as an amendment, modification or waiver of any right, power or remedy of Lender under the Credit Agreement or any of the other Loan Documents, nor constitute a waiver of any provision of the Credit Agreement or any of the other Loan Documents. Except for the amendments set forth above, the text of the Credit Agreement and all other Loan Documents shall remain unchanged and in full force and effect and each Borrower and each Guarantor hereby ratifies and confirms its obligations thereunder. This Amendment shall not constitute a modification of the Credit Agreement or any of the other Loan Documents or a course of dealing with Lender at variance with the Credit Agreement or the other Loan Documents such as to require further notice by Lender to require strict compliance with the terms of the Credit Agreement and the other Loan Documents in the future. Each Borrower and each Guarantor acknowledges and expressly agrees that Lender reserves the right to, and does in fact, require strict compliance with all terms and provisions of the Credit Agreement and the other Loan Documents, as amended herein.

3. Representations and Warranties. In consideration of the execution and delivery of this Amendment by Lender, each Borrower and each Guarantor hereby represents and warrants in favor of Lender as follows:

(a) The execution, delivery and performance by each Borrower and each Guarantor of this Amendment (i) are all within such Borrower's corporate, limited liability company or other similar powers, as applicable, (ii) have been duly authorized, (iii) do not require any consent, authorization or approval of, registration or filing with, notice to, or any other action by, any Governmental Authority or any other Person, except for such as have been obtained or made and are in full force and effect, (iv) will not violate any applicable law or regulation or the Organizational Documents of such Borrower or Guarantor, (v) will not violate or result in a default under any material agreement binding upon such Borrower or Guarantor, (vi) will not conflict with or result in a breach or contravention of, any material order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Borrower or Guarantor is a party or affecting such Borrower or Guarantor or their respective properties, and (vii) except for the Liens created pursuant to the Security Documents, will not result in the creation or imposition of any Lien on any asset of such Borrower or Guarantor orany of their respective properties;

(b) This Amendment has been duly executed and delivered by each Borrower and each Guarantor, and constitutes the legal, valid and binding obligations of each such Borrower or Guarantor enforceable against each Borrower and each Guarantor in accordance with its terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability affecting the enforcement of creditors' rights and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(c) As of the date hereof and after giving effect to this Amendment, the representations and warranties made by or with respect to any Borrower or Guarantor under the Credit Agreement and the other Loan Documents, are true and correct in all material respects (unless any such representation or warranty is qualified as to materiality or as to Material Adverse Effect, in which case such representation and warranty shall be true and correct in all respects), except to the extent previously fulfilled with respect to specific prior dates;

(d) Immediately after giving effect hereto, no event has occurred and is continuing which constitutes a Default or an Event of Default or would constitute a Default or an Event of Default but for the requirement that notice be given or time elapse or both; and

(e) No Borrower or Guarantor has knowledge of any challenge to Lender's claims arising under the Loan Documents, or to the effectiveness of the Loan Documents.

4. Effectiveness. This Amendment shall become effective as of the date set forth above (the "***Amendment Effective Date***") upon Lender's receipt of each of the following, in each case in form and substance satisfactory to Lender:

(a) this Amendment duly executed by each Borrower, Guarantor and Lender;

(b) the Fourth Renewal Promissory Note in the form attached hereto;

(c) the written consent of each of MetLife and New England Life Insurance Company to the extension of the Revolving Credit Maturity Date;

(d) payment to Lender of a renewal fee in the amount of $15,000; and

(e) all other documents, certificates, reports, statements, instruments or other documents as Lender may reasonably request.

5. Costs and Expenses. Each Borrower agrees to pay on demand all costs and expenses of Lender in connection with the preparation, execution and delivery of this Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the fees and out-of-pocket expenses of counsel for Lender with respect thereto).

6. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of a signature page hereto by facsimile transmission or by other electronic transmission shall be as effective as delivery of a manually executed counterpart hereof.

7. Reference to and Effect on the Loan Documents. Upon the effectiveness of this Amendment, on and after the date hereof, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof” or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to “the Credit Agreement”, “thereunder”, thereof” or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby.

8. Governing Law. This Amendment shall be deemed to be made pursuant to the laws of the State of Florida with respect to agreements made and to be performed wholly in the State of Florida and shall be construed, interpreted, performed and enforced in accordance therewith.

9. Final Agreement. This Amendment represents the final agreement between Borrowers, Guarantors and Lender as to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

10. Loan Document. This Amendment shall be deemed to be a Loan Document for all purposes.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized officers or representatives to execute and deliver this Amendment as of the day and year first above written.

BORROWERS:

ALICO, INC., a Florida corporation

By: ______________________________

Name: John E. Kiernan

Title: Chief Executive Officer and President

ALICO-AGRI, LTD., a Florida limited partnership

By: Alico, Inc., a Florida corporation, its General Partner

By: ______________________________

Name: John E. Kiernan

Title: Chief Executive Officer and President

ALICO PLANT WORLD, L.L.C., a Florida limited liability company

By: Alico-Agri, Ltd., a Florida limited partnership, its Sole Member

By: Alico, Inc., a Florida corporation, its General Partner

By: ______________________________

Name: John E. Kiernan

Title: Chief Executive Officer and President

ALICO FRUIT COMPANY, LLC, a Florida limited liability company

By: Alico, Inc., a Florida corporation, its Managing Member

By: ______________________________

Name: John E. Kiernan
Title: Chief Executive Officer and President

ALICO LAND DEVELOPMENT INC., a Florida corporation

By: ______________________________

Name: John E. Kiernan
Title: Chief Executive Officer and President

ALICO CITRUS NURSERY, LLC, a Florida limited liability company

By: Alico, Inc., a Florida corporation, its Managing Member

By: ______________________________

Name: John E. Kiernan
Title: Chief Executive Officer and President

GUARANTORS:

734 CITRUS HOLDINGS, LLC

By: Alico, Inc., as its sole Member

By: ______________________________
Name: John E. Kiernan
Title: Chief Executive Officer and President

734 HARVEST, LLC

By: ______________________________
Name: John E. Kiernan
Title: Chief Executive Officer and President

734 CO-OP GROVES, LLC

By: ______________________________
Name: John E. Kiernan
Title: Chief Executive Officer and President

734 LMC GROVES, LLC

By: ______________________________
Name: John E. Kiernan
Title: Chief Executive Officer and President

734 BLP GROVES, LLC

By: ______________________________
Name: John E. Kiernan
Title: Chief Executive Officer and President

ALICO CHEMICAL SALES, LLC

By: ____________________________________

Name: John E. Kiernan

Title: Chief Executive Officer and President

ALICO SKINK MITIGATION, LLC

By: Alico, Inc., its Manager

By: ____________________________________

Name: John E. Kiernan

Title: Chief Executive Officer and President

LENDER:

RABO AGRIFINANCE LLC,
a Delaware limited liability company

By: ____________________________________

Name:

Title:

STOCK INCENTIVE PLAN OF 2015
NONQUALIFIED OPTION AGREEMENT

THIS NONQUALIFIED OPTION AGREEMENT (this "*Agreement*"), dated as of __________________ (the "*Grant Date*"), is made by and between Alico, Inc., a Florida corporation (the "*Company*"), and _____________ (the "*Participant*"). Capitalized terms used herein without definition have the meanings ascribed to such terms in the Alico, Inc. Stock Incentive Plan of 2015 (the "*Plan*").

WHEREAS, the Company has adopted the Plan to give the Company a competitive advantage in attracting, retaining, and motivating officers, employees, directors, and/or consultants and to provide the Company and its Subsidiaries and Affiliates with a long-term incentive plan providing incentives directly linked to shareholder value; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its shareholders to grant the Participant Nonqualified Options on the terms and subject to the conditions set forth in this Agreement and the Plan.

NOW, THEREFORE, in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves and their successors and assigns, hereby agree as follows:

1. *Grant of Option.*

(a) *Grant*. The Company hereby grants to the Participant a Nonqualified Option (the "*Option*" and any portion thereof, the "*Options*") to purchase _________ Shares (such Shares, the "*Shares*"), on the terms and subject to the conditions set forth in this Agreement and as otherwise provided in the Plan. The Option is not intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(b) *Incorporation by Reference, Etc*. The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan. Notwithstanding the provisions of the Plan or this Agreement to the contrary (including, without limitation, Section 2(c) of the Plan), all determinations under this Agreement as to the following shall be subject to *de novo* review and shall not be final, binding and conclusive on the Participant or his beneficiaries or their respective successors or assigns: (i) determinations as to whether Cause (as defined below) or Good Reason (as defined below) exists and (ii) determinations made on or following a Change in Control.

2. *Option; Option Price*.

(a) *Option Price*. The option price, being the price at which the Participant shall be entitled to purchase the Shares upon the exercise of all or any of the Options, shall be $_____ per Share (the "*Option Price*").

(b) *Payment of the Option Price*. The Option may be exercised only by written notice, substantially in the form provided by the Company, delivered in person or by mail in accordance with Section 12(b) and accompanied by payment of the Option Price. The aggregate Option Price shall be payable in cash or by any of the other methods permitted under Section 5(g)(i) through (iii) of the Plan.

3. *Vesting*. Except as may otherwise be provided herein, the Option shall become nonforfeitable (any Options that shall have become nonforfeitable pursuant to this Section 3, "*Vested Options*") and shall become exercisable according to the following provisions:

(a) *General*. (i) ___% of the Options shall become Vested Options on the first date during the Measurement Period (as defined below) that the Trailing Minimum Stock Price (as defined below) exceeds $_____; (ii) ___% of the Options shall become Vested Options on the first date during the Measurement Period that the Trailing Minimum Stock Price exceeds $____; and (iii) ___% of the Options shall become Vested Options on the first date during the Measurement Period that the Trailing Minimum Stock Price exceeds $____ (each of the stock price hurdles set forth in clauses (i)–(iv), a "Stock Price Hurdle"). Any Options that have not become Vested Options as of the conclusion of the Measurement Period shall be forfeited as of such conclusion for no consideration.

(b) *Certain Definitions*. For purposes of this Agreement, the following terms have the meanings set forth below:

"*Cause*" shall mean (i) a material failure by the Participant to carry out, or malfeasance or gross insubordination in carrying out, any of his material duties under the Employment Agreement, (ii) the final conviction of the Participant of, or a plea by the Participant of guilty or *nolo contendere* to, a felony or crime involving moral turpitude, (iii) an egregious act of dishonesty by the Participant (including, without limitation, theft or embezzlement) in connection with his employment by the Company, or a malicious action by the Participant toward the customers or employees of the Company or any Affiliate, (iv) a material breach by the Participant of the Company's Code of Business Ethics or Section 10 of the Employment Agreement, or (v) the failure of the Participant to cooperate fully with governmental investigations involving the Company or any Affiliate unless the Participant is a subject of the investigation or is acting in reliance on the advice of counsel or in accordance with directions from the Board or legal counsel for the Company; *provided*, *however*, that each act or omission described in the preceding clauses (i), (iii), (iv), and (v) will not constitute a basis for the Company to terminate the Participant's employment for Cause unless the Participant receives written notice from the Company identifying each act or omission that the Board views to constitute Cause and any identified act or omission recurs or, if curable, the identified act or omission is not reasonably cured within 30 days after the date that the Participant received the written notice from the Company. For purposes of this provision, any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Participant in good faith and in the best interests of the Company. The cessation of employment of the Participant shall not be deemed to be with Cause unless and until there shall have been delivered to the Participant a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Participant, and the Participant is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Participant is guilty of the conduct that constitutes Cause and specifying the particulars thereof in detail.

"*Employment Agreement*" shall mean that certain Employment Agreement, dated as of____________, by and between the Company and the Participant.

"*Good Reason*" shall mean (i) following a Change in Control, a material adverse change in the Participant's authority, powers, functions, titles, reporting relationship, duties, or responsibilities; (ii) a reduction in the Participant's base salary; (iii) a material breach of any employment agreement between the Company and the Participant; (iv) the reassignment of the Participant's place of employment to an office location more than 50 miles from the Participant's then-current place of employment; or (v) expiration of the Term (as defined in the Employment Agreement) of the Employment Agreement due to a notice of non-extension of the Term given by the Company to the Participant; *provided* that (A) the Participant has provided the Company with written notice of the occurrence of the event or circumstance believed to constitute Good Reason within 30 days of the Participant's knowledge of the occurrence of such event or circumstance, (B) the Company has failed to cure such event or circumstance, if curable, within 30 days following its receipt of such notice, and (C) the Participant resigns within 90 days following the occurrence of the event or circumstance that constitutes Good Reason.

"*Measurement Period*" shall mean the period commencing on the Grant Date and concluding on (i) if the Participant's Termination of Employment is due to the Participant's death or Disability, the date that is 18 months following the date of such Termination of Employment, (ii) if the Participant's Termination of Employment is by the Company without Cause or by the Participant with Good Reason, the date that is 12 months following the date of such Termination of Employment, or (iii) if the Participant's Termination of Employment is for any reason not covered in clause (i) or (ii), the date of such Termination of Employment. Notwithstanding the foregoing, the Measurement Period shall automatically conclude on_________________, if it has not previously concluded.

"*Termination of Employment*" shall mean a termination of Participant's employment with the Company and its Subsidiaries, irrespective of whether Participant continues to serve the Company and its Subsidiaries following such termination in a non-employee capacity, including, without limitation, as a director or consultant.

"*Trailing Minimum Stock Price*" shall mean, with respect to any date, the lowest Fair Market Value of a Share during the 20 consecutive trading day period immediately preceding such date.

4. *Expiration* . The Options (to the extent not otherwise forfeited) shall automatically terminate and shall become null and void, be unexercisable and be of no further force and effect upon the earlier of:

(a) __________________; and

(b) the date of the Participant's Termination of Employment, in the case of a Termination of Employment by the Company with Cause.

5. *Tax Withholding*. The Company's obligation to deliver the Shares upon exercise of any Options or any certificates evidencing such Shares (or to make a book-entry or other electronic notation indicating ownership of such Shares) is subject to the condition precedent that the Participant either pay or provide for the amount of any withholding obligations with respect to the exercise of the Option in such manner as may be authorized by the Committee or as may otherwise be permitted under Section 14(d) of the Plan. Notwithstanding anything in the Plan to the contrary, the Participant shall have the right to satisfy any tax withholding obligations (a) by paying cash equal to the amount of such tax withholding or (b) if approved in advance by the Committee, by settling such obligations with Common Stock, including Common Stock that is part of the Option that gives rise to the withholding requirement, having a Fair Market Value on the date of withholding equal to the minimum amount (and not any greater amount) required to be withheld for tax purposes.

6. *Compliance with Legal Requirements*. The grant and exercise of the Option and any other obligations of the Company under this Agreement shall be subject to all applicable federal and state laws, rules, and regulations and to such approvals by any regulatory or governmental agency as may be required. The Committee may postpone the issuance or delivery of the Shares, and may require the Participant to make such representations and furnish such information, in each case, as required by applicable laws, rules, and regulations.

7. *Transferability*. The Option may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution or pursuant to a transfer to the Participant's "family members" (as defined in General Instructions A.1(a)(5) to Form S-8 under the Securities Act of 1933, as amended, and any successor thereto), whether directly or indirectly or by means of a trust or partnership or otherwise, and any purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance not in accordance with this Agreement shall be void and unenforceable against the Company, its Subsidiaries, and its Affiliates; *provided* that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer, or encumbrance. The Option and any Shares received upon exercise thereof shall be subject to the restrictions set forth in the Plan and this Agreement.

8. *Adjustment*. In the event of an event described in Section 3(d) of the Plan occurring after the Grant Date, the adjustment provisions of Section 3(d) of the Plan shall apply to the Option, including to authorize appropriate adjustments to the Stock Price Hurdles set forth in Section 3(a) and the Share disposal restrictions set forth in Section 9. Without limiting the foregoing, in the event of a Share Change that is an extraordinary cash dividend, the Committee or Board shall, in its sole discretion, adjust the Options either (a) by applying the adjustment mechanism set forth in Treas. Regs. § 1.424-1(a) or (b) by equitably reducing the Option Price to the extent permitted by applicable law and to the extent such reduction does not result in adverse tax consequences to the Participant, and, in either case, by reducing each applicable Stock Price Hurdle by the amount of such extraordinary cash dividend.

9. *Holding Period*. Shares acquired upon exercise of the Option may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Participant (or any Affiliate or other permitted transferee pursuant to Section 7) prior to the date that is six months following the vesting of the tranche of the Option pursuant to which such Shares were acquired. Additionally, the Participant shall not (and shall cause the Participant's Affiliates, or other permitted transferees pursuant to Section 7, not to) sell, transfer, or otherwise dispose of more than ________ Shares acquired upon exercise of the Option during any 30-day period. Notwithstanding the foregoing, the restrictions set forth in this paragraph shall not apply to Shares withheld to pay the Option Price, to Shares used to satisfy required tax withholding obligations, or to Shares transferred pursuant to the laws of descent and distribution, and shall cease to apply as of the Participant's death or Disability or upon a Change in Control.

10. *Change in Control*.

(a) *Inapplicability of the Plan Provisions.* The provisions of Sections 10(a)–10(d) of the Plan shall not apply to the Options.

(b) *Vesting*. Upon the occurrence of a Change in Control, (i) any unvested Options for which the applicable Stock Price Hurdle is less than or equal to the Fair Market Value of a Share as of immediately prior to such Change in Control shall become fully vested and exercisable (collectively, "*Accelerated Options*"), and (ii) any unvested Options for which the applicable Stock Price Hurdle is greater than the Fair Market Value of a Share as of immediately prior to such Change in Control (collectively, "*Unvested Options*") shall be treated as set forth in Section 10(c)(ii).

(c) *Settlement; Assumption* . Upon the occurrence of a Change in Control, (i) any Vested Options (including any Accelerated Options) shall be assumed or settled as provided under Section 3(d) of the Plan, as determined by the Board or the Committee, and (ii) any Unvested Options shall be treated as follows: (A) if Shares are converted to or otherwise purchased for cash in connection with such Change in Control, then any Unvested Options shall be forfeited without consideration as of the occurrence of such Change in Control; (B) if Shares are converted to securities of the surviving entity (or parent thereof) in connection with such Change in Control, then the Company shall use commercially reasonable efforts to cause any Unvested Options to be substituted for or assumed or continued by the surviving entity (or parent thereof) in the Change in Control and the Stock Price Hurdles with respect to the Unvested Options to be adjusted, in each case, in accordance with Section 3(d) of the Plan; and (C) if Shares are converted to a mix of cash and securities of the surviving entity (or parent thereof) in connection with such Change in Control, then (1) that percentage of any Unvested Options that is equal to the percentage of consideration received in respect of each Share in cash in such Change in Control shall be forfeited and (2) the Company shall use commercially reasonable efforts to cause any remaining Unvested Options to be substituted for or assumed or continued by the surviving entity (or parent thereof) in the Change in Control and the Stock Price Hurdles with respect to such Unvested Options to be adjusted, in each case, in accordance with Section 3(d) of the Plan.

11. *Clawback*. The Options and any Shares acquired upon exercise of the Options shall be subject to the terms of any Company recoupment, clawback, or similar policy as it may

be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of the Options or any Shares acquired upon exercise of the Options or other cash or property received with respect to the Options (including any gain realized from a disposition of the Shares acquired upon exercise of the Options). In addition, if the Participant incurs a Termination of Employment by the Company with Cause, the Committee may in its sole discretion require the Participant to forfeit any Shares previously acquired by the Participant upon exercise of the Options, repay any gain previously realized upon the disposition of any Shares acquired upon exercise of the Options, or both.

12. *Miscellaneous.*

(a) *Waiver and Amendment.* No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(b) *Notices*. All notices, demands, and other communications provided for or permitted hereunder shall be made in writing and shall be by registered or certified first-class mail, return receipt requested, facsimile, courier service, or personal delivery:

if to the Company, to:

Alico, Inc.
10070 Daniels Interstate Court, Suite 100
Fort Myers, Florida 33913
Facsimile: (239) 226-2004
Attention: Chairman, Compensation Committee

if to the Participant, to:

The address last on the records of the Company.

All such notices, demands, and other communications shall be deemed to have been duly given (i) when delivered by hand, if personally delivered; (ii) when delivered by courier, if delivered by commercial courier service; (iii) five business days after being deposited in the mail, postage prepaid, if mailed; and (iv) when receipt is mechanically acknowledged, if by facsimile.

(c) *Severability*. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(d) *No Rights to Service*. Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as an employee, consultant, or director of the Company or its Affiliates or shall interfere with or restrict in any way the right of the Company or its Affiliates to remove, terminate, or discharge the Participant at any time and for any reason whatsoever.

(e) *Beneficiary*. The Participant may file with the Company a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, change or revoke such designation by filing a new designation with the Company. The last such designation received by the Company shall be controlling; *provided*, *however*, that no designation, or change or revocation thereof, shall be effective unless received by the Company prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt. If no beneficiary designation is filed by the Participant, the beneficiary shall be deemed to be his or her spouse or, if the Participant is unmarried at the time of death, his or her estate.

(f) *Successors*. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and shall be binding upon and inure to the benefit of the Participant and the Participant's beneficiaries, executors, administrators, heirs, and successors.

(g) *Entire Agreement*. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations with respect thereto.

(h) *Bound by the Plan*. By signing this Agreement, the Participant acknowledges that he or she has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

(i) *Governing Law*. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Florida without regard to principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Florida.

(j) *Headings*. The headings of the Sections of this Agreement are provided for convenience only and are not to serve as a basis for interpretation or construction of and shall not constitute a part of this Agreement.

(k) *Counterparts*. This Agreement may be signed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

ALICO, INC.

By: ______________________________
Name:
Title:

PARTICIPANT

____

[*Signature Page to Nonqualified Option Agreement*]

EXHIBIT 10.51

STOCK INCENTIVE PLAN OF 2015
INCENTIVE STOCK OPTION AGREEMENT

THIS INCENTIVE STOCK OPTION AGREEMENT (this "*Agreement*"), dated as of___________________ (the "*Grant Date*"), is made by and between Alico, Inc., a Florida corporation (the "*Company*"), and ____________ (the "*Participant*"). Capitalized terms used herein without definition have the meanings ascribed to such terms in the Company's Stock Incentive Plan of 2015 (the "*Plan*").

WHEREAS, the Company has adopted the Plan to give the Company a competitive advantage in attracting, retaining, and motivating officers, employees, directors, and/or consultants and to provide the Company and its Subsidiaries and Affiliates with a long-term incentive plan providing incentives directly linked to shareholder value; and

WHEREAS, the Compensation Committee (the "*Committee*") has determined that it would be in the best interests of the Company and its shareholders to grant the Participant Incentive Stock Options on the terms and subject to the conditions set forth in this Agreement and the Plan.

NOW, THEREFORE, in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves and their successors and assigns, hereby agree as follows:

1. *Grant of Option*.

(a) *Grant*. The Company hereby grants to the Participant an option (the "*Option*" and any portion thereof, the "*Options*") to purchase _______ shares (the "*Shares*") of Common Stock, on the terms and subject to the conditions set forth in this Agreement and as otherwise provided in the Plan. The Options are being granted pursuant to the terms of the Plan. The Options are intended to be Incentive Stock Options within the meaning of Section 422 of the Code, although the Company makes no representation or guarantee that the Options will qualify as Incentive Stock Options. Accordingly, the Participant understands that in order to obtain the benefits of an Incentive Stock Option, no sale or other disposition may be made of shares for which Incentive Stock Option treatment is desired within one (1) year following the date of exercise of the Options or within two (2) years from the Grant Date. The Participant understands and agrees that the Company shall not be liable or responsible for any additional tax liability the Participant incurs in the event that the Internal Revenue Service for any reason determines that the Options do not qualify as Incentive Stock Options within the meaning of the Code. To the extent that the aggregate Fair Market Value (determined on the Grant Date) of the Shares with respect to which Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and its Affiliates) exceeds $_________, the Options or portions thereof which exceed such limit (according to the order in which they were granted) shall be treated as non-qualified stock options.

(b) *Incorporation by Reference, Etc*. The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan. Notwithstanding the provisions of the Plan or this Agreement to the contrary (including, without limitation, Section 2(c) of the Plan), all determinations under this Agreement as to the following shall be subject to *de novo* review and shall not be final, binding and conclusive on the Participant or his beneficiaries or their respective successors or assigns: (i) determinations as to whether Cause (as defined below) or Good Reason (as defined below) exists and (ii) determinations made on or following a Change in Control.

2. *Option; Option Price*.

(a) *Option Price*. The option price, being the price at which the Participant shall be entitled to purchase the Shares upon the exercise of all or any of the Options, shall be $_____ per Share (the "*Option Price*").

(b) *Payment of the Option Price*. The Options may be exercised only by written notice, substantially in the form provided by the Company, delivered in person or by mail in accordance with Section 13(b) hereto and accompanied by payment of the Option Price. The entire Option Price for the Options being exercised shall be payable in full at the time of exercise and, to the extent permitted by applicable statutes and regulations, shall be payable in cash or by any of the other methods permitted under Section 5(g)(i) through (iii) of the Plan. Notwithstanding the provisions of this Agreement and the Plan, certain methods permitting the exercise of the Options under the Plan may constitute an immediate sale of some or all of the Shares and shall cause some or all of the Options to be considered non-qualified stock options rather than Incentive Stock Options.

3. *Vesting*. Except as may otherwise be provided herein, the Options shall become vested and exercisable according to the following provisions:

(a) *General*. (i) _______ of the Options shall become vested (the "*Vested Options*") on the first date during the Measurement Period (as defined below) that the Trailing Minimum Stock Price (as defined below) exceeds $______ ; (ii) ______ of the Options shall become Vested Options on the first date during the Measurement Period that the Trailing Minimum Stock Price exceeds $_____; (iii) _______ of the Options shall become Vested Options on the first date during the Measurement Period that the Trailing Minimum Stock Price exceeds $_____; and (iv) _____ of the Options shall become Vested Options on the first date during the Measurement Period that the Trailing Minimum Stock Price exceeds $_____ (each of the stock price hurdles set forth in clauses (i) - (iv), a "*Stock Price Hurdle*"). Any Options that have not become Vested Options as of the conclusion of the Measurement Period shall be forfeited as of such conclusion for no consideration.

(b) *Certain Definitions*. For purposes of this Agreement, the following terms have the meanings set forth below:

"*Cause*" shall mean (i) a material failure by the Participant to carry out, or malfeasance or gross insubordination in carrying out, any of his material duties, (ii) the final conviction of the Participant of, or a plea by the Participant of guilty or *nolo contendere* to, a felony or crime involving moral turpitude, (iii) an egregious act of dishonesty by the Participant (including, without limitation, theft or embezzlement) in connection with his employment by the Company, or a malicious action by the Participant toward the customers or employees of the Company or any Affiliate, (iv) a material breach by the Participant of the Company's Code of Business Ethics, or (v) the failure of the Participant to cooperate fully with governmental investigations involving the Company or any Affiliate unless the Participant is a subject of the investigation or is acting in reliance on the advice of counsel or in accordance with directions from the Board or legal counsel for the Company; *provided*, *however*, that each act or omission described in the preceding clauses (i), (iii), (iv), and (v) will not constitute a basis for the Company to terminate the Participant's employment for Cause unless the Participant receives written notice from the Company identifying each act or omission that the Board views to constitute Cause and any identified act or omission recurs or, if curable, the identified act or omission is not reasonably cured within 30 days after the date that the Participant received the written notice from the Company. For purposes of this provision, any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Participant in good faith and in the best interests of the Company. The cessation of employment of the

Participant shall not be deemed to be with Cause unless and until there shall have been delivered to the Participant a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Participant, and the Participant is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Participant is guilty of the conduct that constitutes Cause and specifying the particulars thereof in detail.

"*Continuous Service*" means that the Participant's service with the Company or an Affiliate, whether as an employee, consultant or director, is not interrupted or terminated. The Participant's Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an employee, consultant or director or a change in the entity for which the Participant renders such service, *provided that* there is no interruption or termination of the Participant's Continuous Service; *provided further that* if any award is subject to Section 409A of the Code, this sentence shall only be given effect to the extent consistent with Section 409A of the Code. For example, a change in status from an employee of the Company to a director of an Affiliate will not constitute an interruption of Continuous Service. The Committee or its delegate, in its sole discretion, may determine whether Continuous Service shall be considered interrupted in the case of any leave of absence approved by that party, including sick leave, military leave or any other personal or family leave of absence. The Committee or its delegate, in its sole discretion, may determine whether a Company transaction, such as a sale or spin-off of a division or subsidiary that employs a Participant, shall be deemed to result in a termination of Continuous Service for purposes of affected awards, and such decision shall be final, conclusive and binding.

"*Good Reason*" shall mean (i) following a Change in Control, a material adverse change in the Participant's authority, powers, functions, titles, reporting relationship, duties, or responsibilities; (ii) a reduction in the Participant's base salary; (iii) a material breach of any employment agreement between the Company and the Participant; or (iv) the reassignment of the Participant's place of employment to an office location more than 50 miles from the Participant's then-current place of employment.

"*Measurement Period*" shall mean the period commencing on the Grant Date and concluding on (i) if the Participant's termination of Continuous Service is due to the Participant's death or Disability, the date that is 18 months following the date of such termination of Continuous Service, (ii) if the Participant's termination of Continuous Service is by the Company without Cause or by the Participant with Good Reason, the date that is 12 months following the date of such termination of Continuous Service, or (iii) if the Participant's termination of Continuous Service is for any reason not covered in clause (i) or (ii), the date of such termination of Continuous Service. Notwithstanding the foregoing, the Measurement Period shall automatically conclude on_______________, if it has not previously concluded.

"*Trailing Minimum Stock Price*" shall mean, with respect to any date, the lowest Fair Market Value of a Share, based on closing price, during the 20 consecutive trading day period immediately preceding such date.

4. *Expiration*. The Options (to the extent not otherwise forfeited) shall automatically terminate and shall become null and void, be unexercisable and be of no further force and effect upon the earlier of

(a) ____________________

(b) *Termination for Reasons Other Than Cause, Death, Disability*. If the Participant's Continuous Service is terminated for any reason other than Cause, death or Disability, the Participant may exercise the vested portion of the Options, but only within such period of time ending on the earlier of: (a) the date three months following the termination of the Participant's Continuous Service or (b) _______________ (the "Expiration Date").

(c) *Termination for Cause.* If the Participant's Continuous Service is terminated for Cause, the Options (whether vested or unvested) shall immediately terminate and cease to be exercisable.

(d) *Termination due to Disability*. If the Participant's Continuous Service terminates as a result of the Participant's Disability, the Participant may exercise the vested portion of the Options, but only within such period of time ending on the earlier of: (a) the date 12 months following the Participant's termination of Continuous Service or (b) the Expiration Date.

(e) *Termination due to Death*. If the Participant's Continuous Service terminates as a result of the Participant's death, the vested portion of the Options may be exercised by the Participant's estate, by a person who acquired the right to exercise the Options by bequest or inheritance or by the person designated to exercise the Options upon the Participant's death, but only within the time period ending on the earlier of: (a) the date 12 months following the Participant's termination of Continuous Service or (b) the Expiration Date.

5. *Tax Withholding.* If the Company, in its discretion, determines that it is obligated to withhold any tax in connection with the exercise of the Options, the Participant must make arrangements satisfactory to the Company to pay or provide for any applicable federal, state and local withholding obligations of the Company. The Participant may satisfy any federal, state or local tax withholding obligation relating to the exercise of the Options by (i) tendering a cash payment, (ii) authorizing the Company to withhold shares of Common Stock from the Shares, provided, however, that no shares of Common Stock are withheld with a value exceeding the maximum amount of tax required to be withheld by law, or (iii) delivering to the Company previously owned and unencumbered shares of Common Stock. The Company has the right to withhold from any compensation paid to a Participant.

6. *Compliance with Legal Requirements.* The grant and exercise of the Options and any other obligations of the Company under this Agreement shall be subject to all applicable federal and state laws, rules, and regulations and to such approvals by any regulatory or governmental agency as may be required. The Committee may postpone the issuance or delivery of the Shares, and may require the Participant to make such representations and furnish such information, in each case, as required by applicable laws, rules, and regulations.

7. *Transferability.* The Options are not transferable by the Participant other than to a designated beneficiary upon the Participant's death or by will or the laws of descent and distribution, and are exercisable during the Participant's lifetime only by him or her. No assignment or transfer of the Options, or the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise (except to a designated beneficiary, upon death, by will or the laws of descent or distribution) will vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Options will terminate and become of no further effect.

8. *Adjustment.* In the event of an event described in Section 3(d) of the Plan occurring after the Grant Date, the adjustment provisions of Section 3(d) of the Plan shall apply to the Options, including to authorize appropriate adjustments to the Stock Price Hurdles set forth in Section 3 and the Share disposal restrictions set forth in Section 9. Without limiting the foregoing, in the event of a Share Change that is an extraordinary cash dividend, the Committee or Board shall, in its sole discretion, adjust the Options either (a) by applying the adjustment mechanism set forth in Treas. Regs. § 1.424-1(a) or (b) by equitably reducing the Option Price to the extent permitted by applicable law and to the extent such reduction does not result

in adverse tax consequences to the Participant, and, in either case, by reducing each applicable Stock Price Hurdle by the amount of such extraordinary cash dividend.

9. *Holding Period*. Shares acquired upon exercise of the Options may not be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Participant (or any Affiliate or other permitted transferee pursuant to Section 7) prior to the date that is six months following the vesting of the tranche of the Options pursuant to which such Shares were acquired. Additionally, the Participant shall not (and shall cause the Participant's Affiliates, or other permitted transferees pursuant to Section 7, not to) sell, transfer, or otherwise dispose of more than _______ Shares acquired upon exercise of the Options during any 30-day period. Notwithstanding the foregoing, the restrictions set forth in this paragraph shall not apply to Shares withheld to pay the Option Price, to Shares used to satisfy required tax withholding obligations, or to Shares transferred pursuant to the laws of descent and distribution, and shall cease to apply as of the Participant's death or Disability or upon a Change in Control. If the Participant disposes of the Shares prior to the expiration of either two (2) years from the Grant Date or one (1) year from the date the Shares are transferred to the Participant pursuant to the exercise of the Options, the Participant shall notify the Company in writing within thirty (30) days after such disposition of the date and terms of such disposition. The Participant also agrees to provide the Company with any information concerning any such dispositions as the Company requires for tax purposes.

10. *Change in Control*.

(b) *Inapplicability of the Plan Provisions*. The provisions of Sections 10(a) - 10(d) of the Plan shall not apply to the Options.

(c) *Vesting*. Upon the occurrence of a Change in Control, (i) any unvested Options for which the applicable Stock Price Hurdle is less than or equal to the Fair Market Value of a Share as of immediately prior to such Change in Control shall become fully vested and exercisable (collectively, "*Accelerated Options*"), and (ii) any unvested Options for which the applicable Stock Price Hurdle is greater than the Fair Market Value of a Share as of immediately prior to such Change in Control (collectively, "*Unvested Options*") shall be treated as set forth in Section 10(c)(ii).

(d) *Settlement; Assumption*. Upon the occurrence of a Change in Control, (i) any Vested Options (including any Accelerated Options) shall be assumed or settled as provided under Section 3(d) of the Plan, as determined by the Board or the Committee, and (ii) any Unvested Options shall be treated as follows: (A) if Shares are converted to or otherwise purchased for cash in connection with such Change in Control, then any Unvested Options shall be forfeited without consideration as of the occurrence of such Change in Control; (B) if Shares are converted to securities of the surviving entity (or parent thereof) in connection with such Change in Control, then the Company shall use commercially reasonable efforts to cause any Unvested Options to be substituted for or assumed or continued by the surviving entity (or parent thereof) in the Change in Control and the Stock Price Hurdles with respect to the Unvested Options to be adjusted, in each case, in accordance with Section 3(d) of the Plan; and (C) if Shares are converted to a mix of cash and securities of the surviving entity (or parent thereof) in connection with such Change in Control, then (1) that percentage of any Unvested Options that is equal to the percentage of consideration received in respect of each Share in cash in such Change in Control shall be forfeited and (2) the Company shall use commercially reasonable efforts to cause any remaining Unvested Options to be substituted for or assumed or continued by the surviving entity (or parent thereof) in the Change in Control and the Stock Price Hurdles with respect to such Unvested Options to be adjusted, in each case, in accordance with Section 3(d) of the Plan. In the event of a cash-out payment the Options shall be disqualified from being treated as Incentive Stock Options and shall be treated as non-qualified stock options.

11. *Covenants.*

(a) The Participant covenants and agrees that, during the term of this contract and for a period of one year after he ceases being an employee of the Company, the Participant will not, directly or indirectly, own, manage, operate or control, or participate in the ownership, management, operation or control of, any business competing directly with the business conducted on the date of termination hereof by the Company; provided, however, that the Participant may own not more than 1% of the outstanding securities of any class of any corporation engaged in any such business, if such securities are listed on a national securities exchange or regularly traded in the over-the-counter market by a member of a national securities association.

(b) The Participant covenants and agrees that, throughout the term of this contract and for a period of one year after he ceases being an employee of the Company, he will not directly or indirectly induce any person associated with or employed by the Company or any subsidiary of the Company to leave the employ of or terminate his association with the Company, or any subsidiary of the Company, or solicit the employment of any such person on his own behalf or on behalf of any other business enterprise.

(c) If any term of this Section 11 is found by any court having jurisdiction to be too broad, then and in that case, such term shall nevertheless remain effective, but shall be considered amended (as to the time or area or otherwise, as the case may be) to a point considered by said court as reasonable, and as so amended shall be fully enforceable.

(d) The Participant hereby covenants and agrees that hereinafter the Participant will not, and will not cause, suffer or permit any family member or other affiliate of the Participant to, directly or indirectly, under any circumstance: (i) disclose in any way any Confidential Information (as hereinafter defined) to any other person; (ii) act or fail to act so as to reveal any Confidential Information or otherwise impair the confidential or proprietary nature of any Confidential Information; (iii) use any Confidential Information other than at the direction and for the benefit of the Company; or (iv) offer or agree to, or cause or assist in the inception or continuation of, any such disclosure, impairment or use. For the purposes of the foregoing, "Confidential Information" shall mean any and all information pertaining to the assets, business, creditors, customers, data, employees, financial condition or affairs, operations, procedures, reports and suppliers of the Company, including (without limitation) the contracts and customer lists acquired by the Company during his employment by the Company; provided, however, that Confidential Information shall exclude any information that is or becomes publicly available other than through disclosure by the Participant or any of his family members or other affiliates.

(e) In the event that the Participant shall violate any provision of this contract (including but not limited to the provisions of this Section 11), then the Participant hereby consents to the granting of a temporary or permanent injunction against him by any court of competent jurisdiction prohibiting him from violating any provision of this contract. In any proceeding for an injunction and upon any motion for a temporary or permanent injunction, the Participant agrees that his ability to answer in damages shall not be a bar or interposed as a defense to the granting of such temporary or permanent injunction against the Participant. The Participant further agrees that the Company will not have an adequate remedy at law in the event of any breach by the Participant hereunder and that the Company will suffer irreparable damage and injury if the Participant breaches any of the provisions of this contract.

(f) If Participant violates any provision of this Section 11 , the Options shall be cancelled immediately. Further, any profit realized from the grant of the Options, or its exercise, or from the sale of Shares, shall be forfeited by Participant to the Company, and the Participant shall be liable to the Company to return any such profit upon demand by the Company.

12. *Clawback*. The Options and any Shares acquired upon exercise of the Options shall be subject to the terms of any Company recoupment, clawback, or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of the Options or any Shares acquired upon exercise of the Options or other cash or property received with respect to the Options (including any gain realized from a disposition of the Shares acquired upon exercise of the Options). In addition, if the Participant incurs a termination of Continuous Service by the Company with Cause, the Committee may in its sole discretion require the Participant to forfeit any Shares previously acquired by the Participant upon exercise of the Options, repay any gain previously realized upon the disposition of any Shares acquired upon exercise of the Options, or both.

13. *Miscellaneous*.

(b) *Waiver and Amendment* . No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(c) *Notices*. All notices, demands, and other communications provided for or permitted hereunder shall be made in writing and shall be by registered or certified first-class mail, return receipt requested, facsimile, courier service, or personal delivery:

if to the Company, to:

Alico, Inc.
10070 Daniels Interstate Court, Suite 100
Fort Myers, Florida 33913
Facsimile: (239) 226-2004
Attention: Chairman, Compensation Committee

if to the Participant, to:

The address last on the records of the Company.

All such notices, demands, and other communications shall be deemed to have been duly given (i) when delivered by hand, if personally delivered; (ii) when delivered by courier, if delivered by commercial courier service; (iii) five business days after being deposited in the mail, postage prepaid, if mailed; and (iv) when receipt is mechanically acknowledged, if by facsimile.

(d) *Severability*. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(e) *No Rights to Service*. Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as an employee, consultant, or director of the Company or its Affiliates or shall interfere with or restrict in any way the right of the Company or its Affiliates to remove, terminate, or discharge the Participant at any time and for any reason whatsoever.

(f) *Beneficiary*. The Participant may file with the Company a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, change or revoke such designation by filing a new designation with the Company. The last such designation received by the Company shall be controlling; *provided*, *however*, that no designation, or change or revocation thereof, shall be effective unless received by the Company prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt. If no beneficiary designation is filed by the Participant, the beneficiary shall be deemed to be his or her spouse or, if the Participant is unmarried at the time of death, his or her estate.

(g) *Successors*. The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and shall be binding upon and inure to the benefit of the Participant and the Participant's beneficiaries, executors, administrators, heirs, and successors.

(h) *Entire Agreement*. This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations with respect thereto.

(i) *Bound by the Plan*. By signing this Agreement, the Participant acknowledges that he or she has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan.

(j) *Governing Law*. This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Florida without regard to principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Florida.

(k) *Headings*. The headings of the Sections of this Agreement are provided for convenience only and are not to serve as a basis for interpretation or construction of and shall not constitute a part of this Agreement.

(l) *Counterparts*. This Agreement may be signed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

ALICO, INC.
By: ______________________________
Name:
Title:

PARTICIPANT
By: ______________________________
Name: ______________________________

[*Signature Page to Incentive Stock Option Agreement*]

Exhibit 10.52

STOCK INCENTIVE PLAN OF 2015
RESTRICTED STOCK AWARD AGREEMENT

THIS RESTRICTED STOCK AWARD AGREEMENT (this *"Agreement"),* dated as of_________, 20__ (the *"Grant Date"),* is made by and between Alico, Inc., a Florida corporation (the *"Company"),* and ________________ (the *"Participant").* Capitalized terms used herein without definition have the meanings ascribed to such terms in the Alico, Inc. Stock Incentive Plan of 2015 (the *"Plan").*

WHEREAS, the Company has adopted the Plan to give the Company a competitive advantage in attracting, retaining, and motivating officers, employees, directors, and/or consultants and to provide the Company and its Subsidiaries and Affiliates with a long-term incentive plan providing incentives directly linked to shareholder value; and

WHEREAS, the Committee has determined that it would be in the best interests of the Company and its shareholders to grant the Participant a number of restricted shares of Common Stock on the terms and subject to the conditions set forth in this Agreement and the Plan.

NOW THEREFORE, in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves and their successors and assigns, hereby agree as follows:

1. *Grant of Restricted Stock Award.*

(a) *Grant.* The Company hereby grants to the Participant an award of Restricted Stock with respect to an aggregate of ____ restricted shares of Common Stock (the *"Restricted Shares"),* on the terms and subject to the conditions set forth in this Agreement and as otherwise provided in the Plan.

(b) *Incorporation by Reference, Etc.* The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan.

2. *Vesting.*

(a) *General.* Except as may otherwise be provided herein, the restricted shares shall vest on ________, 20__, subject to the Participant not having incurred a Termination of Service as of the Vesting Date.

(b) *Vesting upon a Termination of Service without Cause or for Good Reason.* If, prior to the Vesting Date, the Participant incurs a Termination of Service by the Company without Cause or, following a Change in Control, due to a resignation by the Participant for Good Reason, any unvested Restricted Shares shall fully vest and be free of any restrictions as of the date of Termination of Service.

(c) *Vesting upon Death or Disability.* If the Participant incurs a Termination of Service due to the Participant's death or Disability, any unvested Restricted Shares shall fully vest and be free of restrictions as of the date of the Termination of Service.

(d) *Other Termination of Service.* If the Participant incurs a Termination of Service for any reason other than death, Disability, a termination without Cause, or, following a Change in Control, a resignation for Good Reason, any unvested Restricted Shares shall be forfeited by the Participant without consideration.

3. *Tax Withholding.* The Company shall reasonably determine the amount of any federal, state, local, or other income, employment, or other taxes that the Company or any of its Subsidiaries may reasonably be obligated to withhold with respect to the grant, vesting, or other event with respect to the Restricted Shares. The Company's obligation to deliver the Restricted Shares or any certificates evidencing the Restricted Shares (or to make a book-entry or other electronic notation indicating ownership of the Restricted Shares), or otherwise remove the restrictive notations or legends on such Restricted Shares or certificates that refer to nontransferability as set forth in Section 5, is subject to the condition precedent that the Participant either pay or provide for the amount of any such withholding obligations in such manner as may be authorized by the Committee or as may otherwise be permitted under Section 14(d) of the Plan.

4. *Section 83(b) Election; Independent Tax Advice.* The Participant acknowledges that it is the Participant's sole responsibility, and not the Company's, to file a timely election under Section 83(b) of the Code, even if the Participant requests that the Company or its representative assist the Participant in making this filing. The Participant shall promptly notify the Company of any election made pursuant to Section 83(b) of the Code. The Participant acknowledges that the tax laws and regulations applicable to the Restricted Shares and the disposition of the Restricted Shares following vesting are complex and subject to change, and it is the sole responsibility of the Participant to obtain the Participant's own advice as to the tax treatment of the terms of this Agreement.

5. *Issuance of Restricted Stock.* The Restricted Shares shall be issued by the Company and shall be registered in the Participant's name on the stock transfer books of the Company promptly after the Grant Date. Any certificates representing the Restricted Shares shall remain in the physical custody of the Company or its designee at all times prior to, in the case of any particular Restricted Share, the date on which such Restricted Share vests. Any certificates representing the Restricted Shares shall have affixed thereto a legend in substantially the following form, in addition to any other legends that may be required under federal or state securities laws:

> The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) of the Alico, Inc. Stock Incentive Plan of 2015 and an Award Agreement. Copies of such Plan and Agreement are on file at the offices of Alico, Inc., 10070 Daniels Interstate Court, Suite 100, Fort Myers, FL 33913.

As soon as practicable following the vesting of any Restricted Share, the Company shall ensure that its stock transfer books reflect the vesting. If certificates for the Restricted Share exist, such certificates for such vested Restricted Share shall be delivered to the Participant or to the Participant's legal representative along with the stock powers relating thereto.

6. *Dividend and Voting Rights.* After the Grant Date, the Participant shall be the record owner of the Restricted Shares, unless and until such Restricted Shares are forfeited pursuant to the Participant's Termination of Service or sold or otherwise disposed of, and as record owner shall be entitled to all rights of a common shareholder of the Company, including, without limitation, voting rights and rights to payment of cash dividends, if any, with respect to the Restricted Shares; *provided* that extraordinary dividends shall be subject to the provisions of Section 3(d) of the Plan; and *provided, further,* that the Restricted Shares shall be subject to the limitations on transfer and encumbrance set forth in this Agreement and Section 6(b)(iii) of the Plan.

7. *Transferability.* The Restricted Shares may not, at any time prior to becoming vested, be assigned, alienated, pledged, attached, sold, or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer, or encumbrance shall be void and unenforceable against the Company, its Subsidiaries, and its Affiliates; *provided* that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer, or encumbrance. The Restricted Shares shall be subject to the restrictions set forth in the Plan and this Agreement.

8. *Change in Control.* In the event of a Change in Control occurring after the Grant Date, the Restricted Shares shall be treated in accordance with Section 10 of the Plan.

9. Miscellaneous.

(a) *Waiver and Amendment.* The Committee may waive any conditions or rights under, or amend any terms of, this Agreement and the Restricted Shares granted hereunder; *provided* that any such waiver or amendment that would impair the rights of the Participant or any holder or beneficiary of the Restricted Shares granted hereunder shall not to that extent be effective without the consent of the Participant. No waiver of any right hereunder by any party shall operate as a waiver of any other right, or as a waiver of the same right with respect to any subsequent occasion for its exercise, or as a waiver of any right to damages. No waiver by any party of any breach of this Agreement shall be held to constitute a waiver of any other breach or a waiver of the continuation of the same breach.

(b) *Notices.* All notices, demands, and other communications provided for or permitted hereunder shall be made in writing and shall be by registered or certified first-class mail, return receipt requested, facsimile, courier service, or personal delivery:

If to the Company to:

Alico, Inc.
10070 Daniels Interstate Court, Suite 100
Fort Myers, Florida 33913
Attention: Chief Financial Officer

if to Participant to:

The address last on the records of the Company.

All such notices, demands, and other communications shall be deemed to have been duly given (i) when delivered by hand, if personally delivered; (ii) when delivered by courier, if delivered by commercial courier service; (iii) five business days after being deposited in the mail, postage prepaid, if mailed; and (iv) when receipt is mechanically acknowledged, if by facsimile.

(c) *Severability.* The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(d) *No Rights to Service.* Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position, as an employee, consultant, or director of the Company or its Affiliates or shall interfere with or restrict in any way the right of the Company or its Affiliates, which is hereby expressly reserved, to remove, terminate, or discharge the Participant at any time and for any reason whatsoever.

(e) *Beneficiary.* The Participant may file with the Company a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, change or revoke such designation by filing a new designation with the Company. The last such designation received by the Company shall be controlling; *provided, however,* that no designation, or change or revocation thereof, shall be effective unless received by the Company prior to the Participant' s death, and in no event shall it be effective as of a date prior to such receipt. If no beneficiary designation is filed by the Participant, the beneficiary shall be deemed to be his or her spouse or, if the Participant is unmarried at the time of death, his or her estate.

(f) *Successors.* The terms of this Agreement shall be binding upon and inure to the benefit of the Company and its successors and assigns, and shall be binding upon and inure to the benefit of the Participant and the Participant' s beneficiaries, executors, administrators, heirs, and successors.

(g) *Entire Agreement.* This Agreement and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations, and negotiations with respect thereto.

(h) *Bound by the Plan.* By signing this Agreement, the Participant acknowledges that he or she has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the tem1s and provisions of the Plan.

(i) *Governing Law.* This Agreement shall be construed and interpreted in accordance with the internal laws of the State of Florida without regard to principles of conflicts of law thereof, or principles of conflicts of laws of any other jurisdiction that could cause the application of the laws of any jurisdiction other than the State of Florida.

(j) *Headings.* The headings of the Sections of this Agreement are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(k) *Counterparts*. This Agreement may be signed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

ALICO, INC.

By: ____

Name:

Title:

PARTICIPANT

By: ____

Name:

Exhibit 21.0

SUBSIDIARIES OF ALICO, INC.

Name of Subsidiary	State of Organization
Alico Land Development, Inc.	Florida
Alico Fruit Company, LLC	Florida
Alico-Agri, LTD.	Florida
Alico Plant World LLC	Florida
Alico Citrus Nursery, LLC	Florida
734 Citrus Holdings, LLC	Florida
734 LMC Groves, LLC	Florida
734 BLP Groves, LLC	Florida
734 CO-OP Groves LLC	Florida
734 Harvest LLC	Florida
Alico Chemical Sales LLC	Florida
Alico Skink Mitigation LLC	Florida
Alico Ranch LLC	Florida
Alico Natural Resources LLC	Florida
Alico Industries, Inc.	Florida
Alico Merger Sub, Inc.	Florida
Citree Holdings LLC	Delaware

Exhibit 23.0

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements (Nos. 333-208673 and 333-188736) on Forms S-8 of Alico, Inc. of our report dated December 8, 2020, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting of Alico, Inc., appearing in this Annual Report on Form 10-K of Alico, Inc. for the year ended September 30, 2020.

/s/ RSM US LLP

Orlando, Florida
December 8, 2020

Exhibit 31.1

CERTIFICATION

I, John E. Kiernan, certify that:

1. I have reviewed this annual report on Form 10-K of Alico, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: December 8, 2020

By: /s/ John E. Kiernan
John E. Kiernan
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Richard Rallo, certify that:

1. I have reviewed this annual report on Form 10-K of Alico, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 8, 2020

By: /s/ Richard Rallo
Richard Rallo
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

Certification of Principal Executive Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the Annual Report on Form 10-K for the year ended September 30, 2020 (the "Report") of Alico, Inc. (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, John E. Kiernan, President and Chief Executive Officer of the Registrant, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002 that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: December 8, 2020

By: /s/ John E. Kiernan
John E. Kiernan
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification of Chief Financial Officer
Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the Annual Report on Form 10-K for the year ended September 30, 2020 (the “Report”) of Alico, Inc. (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, Richard Rallo, Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer) of the Registrant, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002 that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: December 8, 2020

By: /s/ Richard Rallo
Richard Rallo
Senior Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)