

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the Quarter Ended April 30, 1996 Commission File Number 0-8675

OIL-DRI CORPORATION OF AMERICA
(Exact name of registrant as specified in its charter)

DELAWARE	36-2048898
(State or other jurisdiction of Incorporation or organization)	(I.R.S. Employer Identification No.)

410 North Michigan Avenue	60611
Chicago, Illinois	(Zip Code)
(Address of principal executive offices)	

Registrant's telephone number, including area code (312) 321-1515

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 and (2) has been subject to such filing requirements for at least the past 90 days.

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the close of the period covered by this report.

Common Stock - 5,162,518 Shares (Including 437,396 Treasury Shares)
Class B Stock - 2,071,000 Shares

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Consolidated Statement of Financial Position
ASSETS

	April 30 (Unaudited)	July 31
	1996	1995
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 9,282,154	\$ 7,245,120
Investment Securities, at Cost	1,533,000	1,602,028
Accounts Receivable	21,043,936	22,686,856
Less Allowance for Doubtful Accounts	(345,680)	(603,482)
Inventories	12,155,467	10,551,549
Prepaid Expenses and Taxes	5,888,091	6,642,597
Total Current Assets	49,556,968	48,124,668
PROPERTY, PLANT AND EQUIPMENT - AT COST		
Cost	110,781,206	105,551,718
Less Accumulated Depreciation and Amortization	(52,857,763)	(45,543,896)
Total Property, Plant and Equipment, Net	57,923,443	60,007,822
	59,459,395	59,459,395

OTHER ASSETS

Excess of Investment in
Subsidiaries

Over Fair Value of Assets (Net			
of	4,205,466	4,337,514	4,304,286
Accumulated Amortization)			
Deferred Income Taxes	494,731	-	484,324
Other	4,586,871	3,755,190	3,994,512
Total Other	9,287,068	8,092,704	8,783,122
Assets			
TOTAL ASSETS	\$116,767,479	\$116,225,194	\$116,987,683

Certain amounts in prior periods have been restated to conform to the current period classifications.

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Consolidated Statement of Financial Position
LIABILITIES & STOCKHOLDERS' EQUITY

	April 30 (Unaudited)		July 31
	1996	1995	1995
CURRENT LIABILITIES			
Current Maturities of Notes Payable	\$ 2,149,386	\$ 597,959	\$ 1,097,976
Accounts Payable - Trade	3,808,468	4,265,711	4,710,251
Dividends Payable	519,286	518,836	511,166
Accrued Expenses			
Trade Promotions and Advertising	4,126,550	3,924,834	4,272,740
Salaries, Wages and Advertising	2,073,225	1,870,872	2,362,102
Freight	854,762	627,605	747,042
Other	3,192,072	2,568,512	1,969,571
Total Current Liabilities	16,723,749	14,374,329	15,670,848
NONCURRENT LIABILITIES			
Notes Payable	19,024,000	20,925,659	20,422,265
Deferred Income Taxes	-	325,406	-
Deferred Compensation	1,986,850	1,722,484	1,778,075
Other	1,319,767	1,131,633	778,112
Total Noncurrent Liabilities	22,330,617	24,105,182	22,978,452
Total Liabilities	39,054,366	38,479,511	38,649,300
STOCKHOLDERS' EQUITY			
Common Stock	723,352	723,352	723,352
Paid-In Capital in Excess of Par Value	7,657,394	7,657,394	7,657,394
Retained Earnings	77,064,223	75,449,203	76,033,462
Cumulative Translation Adjustment	(1,044,580)	(996,222)	(987,781)
	84,400,389	82,833,727	83,426,427
Less Treasury Stock, At Cost	(6,687,276)	(5,088,044)	(5,088,044)
Total Stockholders' Equity	77,713,113	77,745,683	78,338,383
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$116,767,479	\$116,225,194	\$116,987,683

Certain amounts in prior periods have been restated to conform to the current period classifications.

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Consolidated Statement of Income and Retained Earnings
Nine Months Ended April 30

	1996 (Unaudited)	1995 (Unaudited)
Net Sales	\$117,532,387	\$116,361,064
Cost Of Sales	82,398,383	81,371,973
Gross Profit	35,134,004	34,989,091
Selling, General And Administrative Expenses	30,803,160	24,281,958
Operating Income	4,330,844	10,707,133
OTHER INCOME (EXPENSE)		
Interest Expense	(1,444,322)	(1,457,217)
Interest Income	429,950	286,137
Foreign Exchange Gain (Loss)	(4,231)	4,514
Other, Net	289,345	(168,325)
	(729,258)	(1,343,919)
Income Before Income Taxes	3,601,586	9,363,214
Income Taxes	1,041,590	2,430,985
Net Income	2,559,996	6,932,229
RETAINED EARNINGS		
Balance at Beginning of Year	76,033,462	70,077,278
Less Cash Dividends Declared	1,529,235	(1,560,304)
Retained Earnings - April 30	\$77,064,223	\$75,449,203
Average Shares Outstanding	6,818,940	6,947,709
Net Income Per Share	\$0.38	\$1.00

Certain amounts in prior periods have been restated to conform to the current period classifications.

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
 Consolidated Statement of Income and Retained Earnings
 Three Months Ended April 30

	1996 (Unaudited)	1995 (Unaudited)
Net Sales	\$36,427,141	\$37,178,378
Cost Of Sales	25,274,538	26,750,874
Gross Profit	11,152,603	10,427,504
Selling, General And Administrative Expenses	9,957,996	7,857,049
Operating Income	1,194,607	2,570,455
OTHER INCOME (EXPENSE)		
Interest Expense	(473,794)	(472,309)
Interest Income	155,817	118,797
Foreign Exchange Gain (Loss)	(3,361)	6,735
Other, Net	101,621	(99,417)
	(219,717)	(446,194)
Income Before Income Taxes	974,890	2,124,261
Income Taxes	304,968	584,254
Net Income	\$ 669,922	\$ 1,540,007
Average Shares Outstanding	6,803,484	6,928,923
Net Income Per Share	\$ 0.10	\$ 0.22

Certain amounts in prior periods have been restated to conform to the current period classifications.

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Consolidated Statement of Cash Flows
For the Nine Months Ended April 30

	1996	1995
	Unaudited	Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$2,559,996	\$6,932,229
Adjustments to Reconcile Net Income to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	5,982,566	5,796,844
Provision for bad debts	156,752	38,843
(Increase) Decrease in:		
Accounts Receivable	475,912	(2,397,324)
Inventories	(1,261,217)	(668,089)
Prepaid Expenses and Taxes	(594,242)	(1,577,657)
Other Assets	(656,549)	(475,768)
Increase (Decrease) in:		
Accounts Payable	(785,376)	212,120
Accrued Expenses	802,116	15,262
Deferred Compensation	208,775	(39,334)
Other	541,655	273,706
Total Adjustments	4,870,392	1,178,603
Net Cash Provided by Operating Activities	7,430,388	8,110,832
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(4,394,927)	(5,464,611)
Purchases of Investment Securities	(106,000)	(2,781,036)
Dispositions of Investment Securities	907,270	4,534,553
Other	111,947	19,698
Net Cash Used in Investing Activities	(3,481,710)	(3,691,396)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	(346,855)	(1,241,104)
Dividends Paid	(1,528,785)	(1,496,951)
Foreign Currency Translation Adjustment	(21,319)	(5,101)
Purchases of Treasury Stock	(1,599,232)	(825,475)
Net Cash Used In Financing Activities	(3,496,191)	(3,568,631)
Net Increase in Cash and Cash Equivalents	452,487	850,805
Cash and Cash Equivalents, Beginning of Year	8,829,667	6,394,315
Cash and Cash Equivalents, April 30	\$9,282,154	\$7,245,120

Certain amounts in prior periods have been restated to conform to the current period classifications.

MANAGEMENT DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

NINE MONTHS ENDED APRIL 30, 1996 COMPARED TO NINE
MONTHS ENDED APRIL 30, 1995

RESULTS OF OPERATIONS

Consolidated net sales for the nine months ended April 30, 1996 were \$117,532,000 an increase of 1.0% over net sales of \$116,361,000 in the first nine months of fiscal 1995. Net income for the first nine months of fiscal 1996 was \$2,560,000 or \$0.38 per share, a decrease of 63.1% from \$6,932,000 or \$1.00 per share earned in the nine months ended April 30, 1995.

Net sales of industrial and environmental sorbents decreased \$1,045,000 or 7.4% from prior year's levels. Net sales of industrial clay sorbents decreased by \$274,000 or 2.7% while sales of non-clay sorbents decreased \$771,000 or 19.2% from the same period last year. The decline in non-clay sorbent sales is primarily the result of refocused sales and marketing efforts towards selected higher margin customers. Net sales of cat box absorbents increased \$550,000 or 0.9% from the same period last year. This growth is the result of new product introductions and expanded distribution of existing coarse litter products in the grocery industry which were partially offset by lower sales to non-grocery higher margin customers. In particular, net sales to Sam's Club declined \$5 million during the nine month period due to the introduction of a private label scoopable litter that replaced the Company's branded scoopable product in a substantial number of Sam's stores. Sam's continues to sell other Company branded products. Net sales of agricultural products increased \$1,836,000 or 12.7% from the same period last fiscal year due to increased demand for crop protection products, fueled by expectations of increased planting activity in the next year. Sales of specialty absorbents, primarily fluid filtration and purification products decreased \$310,000 or 3.2% from fiscal 1995 due primarily to competitive pressures and continued sluggish demand in certain of the Company's markets. Sales by the Company's transportation subsidiary increased \$738,000 or 11.7% due to increased third party hauling.

Consolidated gross profit as a percentage of net sales for the nine months ended April 30, 1996 decreased to 29.9% from 30.1% in the first nine months of fiscal 1995. Factors that contributed to this decline included changes in sales mix towards lower margin products, particularly in the consumer non-grocery segment and increased costs of packaging materials and transportation which, due to competitive pressures, have not been fully recovered by price increases.

Operating expenses as a percentage of net sales increased to 26.2% in the nine months ended April 30, 1996 from 20.9% in the same period last year. This change reflects the additional costs of approximately \$5.2 million for promotional and advertising programs associated with new product introductions. Also included in operating expenses is a charge of \$921,000 reflecting the settlement of a patent infringement action in the second quarter of fiscal 1996. Interest expense decreased \$13,000, while interest income increased \$144,000 from fiscal 1995 due to higher invested balances.

The Company's effective tax rate was 28.9% of income in the first nine months of fiscal 1996 as compared to 26.0% in the same period last year. This change is a result of two factors: lower domestic income subject to depletion allowances and a greater percentage of total income earned in higher tax foreign jurisdictions.

Total assets of the Company decreased \$220,000 from fiscal year end balances. Current assets increased \$812,000 from year end due to higher inventory balances. Property, plant and equipment, net of accumulated depreciation, decreased \$1,536,000 due to lower capital expenditures relative to depreciation expense.

Total liabilities increased \$405,000 in the nine months ended April 30, 1996. Current liabilities increased \$1,053,000 while non-current liabilities decreased \$648,000 from July 31, 1995.

EXPECTATIONS

The Company anticipates sales for the remainder of the fiscal year will be flat. Sales of branded cat box absorbent products are expected to increase as new product introductions gain incremental distribution. However, this sales growth is expected to be offset by lower sales to Sam's Club. As a result, the Company expects that earnings will be lower in the fourth quarter of fiscal 1996 as compared to the same period of last year. Investment in the Company's consumer product launch is in line with original budgets and the Company expects the profitability of these products to significantly impact earnings as spending on advertising and promotion returns to more normal levels in fiscal 1997. In addition, Sam's Club has reintroduced certain of the Company's branded products in its stores for evaluation. High crop prices and strong export demand indicate that the market for the Company's agricultural products will remain strong in the foreseeable future. In fluids purification, the new manufacturing facility and process, which will provide higher performance products, will come on line in May, 1996 and the Company's new line of Perform products is expected to compete more effectively in the market. The outlook for this division in the fourth quarter of fiscal 1996 is encouraging. The Company is going through an intensive review of its entire cost structure, with a goal of significantly reducing costs. It also plans selective price increases.

The foregoing statements under the heading "EXPECTATIONS" are "forward-looking statements" within the meaning of that term in the Securities Exchange Act of 1934, as amended. Actual results may be lower than those reflected in these forward-looking statements, due primarily to: continued vigorous competition in the grocery and, particularly, in Sam's Club and the mass merchandising markets, the level of success of new products, and the cost of new product introductions and promotions in the consumer market. The forward-looking statements also involve the risk of changes in market conditions in the overall economy and, for the agricultural division, in planting activity and overall agriculture and demand, including export demand.

LIQUIDITY AND CAPITAL RESOURCES

The current ratio decreased to 2.96 at April 30, 1996 from 3.11 at July 31, 1995. Working capital decreased 241,000 in the nine months ended April 30, 1996 to \$32,833,000. Cash provided by operations continues to be the Company's primary source of funds to finance investing needs and financing activities. During the first nine months of the fiscal year, balances of cash, cash equivalents and other investments decreased \$347,000. Cash provided by operating activities was used to fund capital expenditures of \$4,395,000, to repurchase shares of the Company's common stock at a cost of \$1,599,000, to pay dividends of \$1,529,000 and to reduce debt by \$347,000. Total cash and investment balances held by the Company's foreign subsidiaries at April 30, 1996 and 1995 were \$2,361,000 and \$2,898,000 respectively.

THREE MONTHS ENDED APRIL 30, 1996 COMPARED TO
THREE MONTHS ENDED APRIL 30, 1995

Consolidated net sales for the three months ended April 30, 1996 were \$36,427,000 a decrease of 2.0% from net sales of \$37,178,000 in the same period last year. Net income for the quarter ended April 30, 1996 was \$670,000 or \$0.10 per share, a decrease of 56.5% from net income of \$1,540,000 or \$0.22 per share reported in the quarter ended April 30, 1995.

Net sales of industrial environmental sorbents decreased \$708,000, or 14.2% from prior year levels. Net sales of industrial clay absorbents decreased \$502,000 or 13.5%, while net sales of nonclay sorbents decreased \$206,000 or 16.3% reflecting refocused sales and marketing efforts towards selected higher margin customers. Net sales of cat box absorbents decreased \$539,000 or 2.9% from fiscal 1995 third quarter results. Increased net sales to grocery customers were offset by a decrease in net sales to non-grocery customers. In particular, net sales to Sam's Club declined \$3 million during the quarter due to the introduction of a private label scoopable litter that replaced the Company's branded scoopable product in a substantial number of Sam's locations. Sam's continues to sell other Company branded products. Net sales of agricultural absorbents increased \$863,000 or 17.4% from fiscal 1995 primarily due to increased demand for crop protection products, fueled by expectations of increased planting activity in the next year. Net sales of fluid filtration and purification products decreased \$151,000 from prior year levels due to competitive pressures and continued sluggish demand in certain of the Company's markets. Net sales of transportation services increased \$85,000 in the third quarter of fiscal 1996 as compared to the third quarter of fiscal 1995.

Consolidated gross profit for the three months ended April 30, 1996 increased to 30.6% of net sales as compared to 28.0% in the third quarter of fiscal 1995. Selling, General and Administrative Expenses increased to 27.3% of net sales as compared to 21.1% of net sales in the third quarter of fiscal 1995 primarily due to higher advertising and promotion expenditures for new product introductions in the consumer market.

Interest expense for the third quarter of fiscal 1996 compared to the third quarter of fiscal 1995 was unchanged. Interest income increased \$37,000 in the same period as a result of larger invested balances.

The Company's effective tax rate in the third quarter of fiscal 1996 was 31.3% of income as compared to 27.5% in the same period last year.

FOREIGN OPERATIONS

Net sales by the Company's foreign subsidiaries for the nine months ended April 30, 1996 were \$9,026,000, constituting 7.7% of sales. This represents a decrease of \$238,000 or 2.6%, from the first nine months of fiscal 1995, in which foreign subsidiary sales were \$9,264,000 and constituted 8.0% of sales. This decrease is primarily due to lower sales in The United Kingdom. Net income of the Company's foreign subsidiaries for the nine months ended April 30, 1996 was \$330,000, compared with \$358,000 in the nine months of fiscal 1995. Identifiable assets of the Company's foreign subsidiaries as of April 30, 1996 were \$9,272,000, a decrease of \$136,000 from \$9,408,000 as of April 30, 1995.

The Company's net sales by its foreign subsidiaries for the three months ended April 30, 1996 were \$2,812,000, constituting 7.7% of sales. This represents a decrease of \$110,000 or 3.8% from the third quarter of fiscal 1995 in which foreign subsidiary sales were \$2,922,000 and constituted 7.9% of sales. This decrease is primarily due to lower sales in The United Kingdom. Net income of the Company's foreign subsidiaries for the three months ended April 30, 1996 was \$55,000 compared with \$137,000 in the third quarter of fiscal 1995.

Part II - Other Information

ITEM 6. (a) Exhibits: The following documents are an exhibit to this report.

Exhibit 11: Statement Re: Computation of per share earnings.

Exhibit 27: Financial Data Schedule

(b) During the quarter for which this report is filed, no reports on Form 8-K were filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

OIL-DRI CORPORATION OF AMERICA
(Registrant)

BY /s/Daniel S. Jaffee
Daniel S. Jaffee
President and Chief Operating Officer

BY /s/Michael L. Goldberg
Michael L. Goldberg
Vice President, Chief Financial Officer
(Principal Financial Officer)

Dated: June 11, 1996

OIL-DRI CORPORATION OF AMERICA
Computation of Weighted Average Number
of Shares Outstanding

Quarter End	Period	Number of Days	Number of Shares Outstanding	Weighted Shares	Average Shares- (Weighted Shares)Number of Days As Adjusted
April 30, 1996	02/01/96 to 03/04/96	33	6,812,922	224,826,426	
	03/05/96 to 03/06/96	2	6,809,422	13,618,844	
	03/07/96 to 03/18/96	12	6,802,922	81,635,064	
	03/19/96 to 04/30/96	43	6,796,122	292,233,246	
		90		612,313,580	6,803,484

0

6,803,484

Quarter Ended

April 30, 1995	02/01/95 to 02/28/95	28	6,949,822	194,595,016	
	03/01/95 to 03/01/95	1	6,946,922	6,946,922	
	03/02/95 to 03/02/95	1	6,945,922	6,945,922	
	03/03/95 to 03/05/95	3	6,943,922	20,831,766	
	03/06/95 to 03/06/95	1	6,942,722	6,942,722	
	03/07/95 to 03/07/95	1	6,936,522	6,936,522	
	03/08/95 to 03/09/95	2	6,934,822	13,869,644	
	03/10/95 to 03/13/95	4	6,932,822	27,731,288	
	03/14/95 to 03/14/95	1	6,932,322	6,932,322	
	03/15/95 to 03/15/95	1	6,931,322	6,931,322	
	03/16/95 to 03/19/95	4	6,929,822	27,719,288	
	03/20/95 to 03/20/95	1	6,928,822	6,928,822	
	03/21/95 to 03/21/95	1	6,928,322	6,928,322	
	03/22/95 to 03/22/95	1	6,927,822	6,927,822	
	03/23/95 to 03/23/95	1	6,927,322	6,927,322	
	03/24/95 to 03/26/95	3	6,911,322	20,733,966	
	03/27/95 to 04/30/95	35	6,901,322	241,546,270	
		89		616,375,258	6,925,565

3,358

6,928,923

Nine Months Ended

April 30, 1996	08/01/95 to 08/08/95	8	6,901,322	55,210,578	
	08/09/95 to 10/10/95	63	6,841,322	431,003,286	
	10/11/95 to 10/11/95	1	6,814,922	6,814,922	
	10/12/95 to 03/04/06	145	6,812,922	987,873,690	
	03/05/06 to 03/06/06	2	6,809,422	13,618,844	
	03/07/96 to 03/18/96	12	6,802,922	81,635,064	
	03/19/96 to 04/30/96	43	6,796,122	292,233,246	
		273		1,868,389,630	6,818,940

0

6,818,940

Nine Months Ended

April 30, 1995	08/01/94 to 08/08/94	8	6,951,822	55,614,576	
	08/09/95 to 02/28/95	204	6,949,822	1,417,763,688	
	12/01/94 to 02/28/95	90	6,949,822	625,483,980	
	03/01/95 to 03/01/95	1	6,946,922	6,946,922	
	03/02/95 to 03/02/95	1	6,945,922	6,945,922	
	03/03/95 to 03/95/95	3	6,943,922	20,831,766	
	03/06/95 to 03/06/95	1	6,942,722	6,942,722	
	03/07/95 to 03/07/95	1	6,936,522	6,936,522	
	03/08/95 to 03/09/95	2	6,934,822	13,869,644	
	03/10/95 to 03/13/95	4	6,932,822	27,731,288	
	03/14/95 to 03/14/95	1	6,932,322	6,932,322	
	03/15/95 to 03/15/95	1	6,931,322	6,931,322	
	03/16/95 to 03/19/95	4	6,929,822	27,719,288	
	03/20/95 to 03/20/95	1	6,928,822	6,928,822	
	03/21/95 to 03/21/95	1	6,928,322	6,928,322	
	03/22/95 to 03/22/95	1	6,927,822	6,927,822	
	03/23/95 to 03/23/95	1	6,927,322	6,927,322	
	03/24/95 to 03/26/95	3	6,911,322	20,733,966	
	03/27/95 to 04/30/95	30	6,901,322	241,546,270	
		273		1,895,158,506	6,941,973

Assuming exercise of options reduced by the number of shares which could have been purchased with the proceeds from exercise of such options.

5,736

6,947,709

9-MOS

JUL-31-1996
APR-30-1996
9,282,154
1,533,000
21,043,936
(345,680)
12,155,467
49,556,968
110,781,206
(52,857,763)
116,767,479
16,723,749
19,024,000
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723,352
76,989,781

116,767,479

117,532,387
117,532,387
82,398,383
113,201,543
(871,816)
156,752
1,444,322
3,601,586
1,041,590
2,559,996
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2,559,996
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0.38