

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 January 31, 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 420,596 Treasury Shares)
Class B Stock - 2,071,000 Shares

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

	January 31 (Unaudited)	July 31
	1996	1995
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 6,599,621	\$ 1,320,099
Investment Securities, at Cost	1,406,467	2,739,496
Accounts Receivable	24,909,494	24,757,434
Allowance for Doubtful Accounts	(278,405)	(201,006)
Inventories	11,191,258	12,888,361
Prepaid Expenses and Taxes	5,531,155	5,491,172
Total Current Assets	49,359,590	48,745,166
PROPERTY, PLANT AND EQUIPMENT - AT COST		
Cost	109,441,705	104,526,298
Less Accumulated Depreciation and Amortization	51,404,271	43,647,659
Total Property, Plant and Equipment, Net	58,037,434	60,878,639
OTHER ASSETS		
Goodwill (Net of Accumulated		

Amortization)	4,238,406	4,370,454	4,304,286
Deferred Income Taxes	486,456	-	484,324
Other	4,258,418	3,472,126	3,994,512
Total Other	8,983,280	7,842,580	8,783,122
Assets			
TOTAL ASSETS	\$116,380,304	\$115,716,775	\$116,987,683

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

	January 31 (Unaudited)		July 31
	1996	1995	1995
CURRENT LIABILITIES			
Current Maturities of Notes Payable	\$2,247,886	\$ 598,876	\$1,097,976
Accounts Payable - Trade	5,899,993	6,023,047	4,710,251
Dividends Payable	519,286	520,552	511,166
Accrued Expenses			
Trade Promotions and Advertising	3,024,416	2,631,418	4,272,740
Salaries, Wages and Advertising	2,715,194	2,586,756	2,362,102
Freight	883,451	1,686,276	747,042
Other	1,078,969	261,882	1,969,571
Total Current Liabilities	16,369,195	14,308,807	15,670,848
NONCURRENT LIABILITIES			
Notes Payable	19,104,000	21,006,966	20,422,265
Deferred Income Taxes	-	320,616	-
Deferred Compensation	1,937,850	1,672,689	1,778,075
Other	1,201,885	1,001,816	778,112
Total Noncurrent Liabilities	22,243,735	24,002,087	22,978,452
Total Liabilities	38,612,930	38,310,894	38,649,300
STOCKHOLDERS EQUITY			
Common Stock	723,352	723,352	723,352
Paid-In Capital in Excess of Par Value	7,657,394	7,657,393	7,657,394
Retained Earnings	76,895,401	74,428,396	76,033,462
Cumulative Translation Adjustment	(1,050,695)	(1,104,951)	(987,781)
	84,225,452	81,704,190	83,426,427
Less Treasury Stock, At Cost	6,458,078	4,298,309	5,088,044
Total Stockholders Equity	77,767,374	77,405,881	78,338,383
TOTAL LIABILITIES & STOCKHOLDERS EQUITY	\$116,380,304	\$115,716,775	\$116,987,683

Certain prior year balances have been reclassified to be consistent with the presentation in the current period.

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Consolidated Statement of Income and Retained Earnings
Six Months Ended January 31

	1996 (Unaudited)	1995 (Unaudited)
Net Sales*	\$81,105,246	\$79,182,686
Cost Of Sales	57,123,845	54,621,099
Gross Profit*	23,981,401	24,561,589

Selling, General And Administrative Expenses*	20,845,164	16,424,909
Operating Income	3,136,237	8,136,678
OTHER INCOME (EXPENSE)		
Interest Expense	(970,528)	(984,908)
Interest Income	274,133	167,340
Foreign Exchange Gain (Loss)	(870)	(11,249)
Other, Net	187,724	(68,908)
	(509,541)	(897,725)
Income Before Income Taxes	2,626,696	7,238,953
Income Taxes	736,622	1,846,731
Net Income	1,890,074	5,392,222
RETAINED EARNINGS		
Balance at Beginning of Year	76,024,301	70,077,278
Less: Cash Dividends Declared	1,018,974	1,041,104
Retained Earnings - January 31	\$76,895,401	\$74,428,396
Average Shares Outstanding	6,828,646	6,956,698
Net Income Per Share	\$0.28	\$0.78

*Net Sales, Gross Profit and Selling, General and Administrative Expenses for fiscal 1995 reflect the reclassification of trade marketing costs to be consistent with the presentation in the current period.

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Consolidated Statement of Income and Retained Earnings
Three Months Ended January 31

	1996 (Unaudited)	1995 (Unaudited)
Net Sales*	\$41,797,312	\$40,157,478
Cost Of Sales	29,474,959	27,989,478
Gross Profit*	12,322,353	12,168,000
Selling, General And Administrative Expenses*	11,532,883	8,203,327
Operating Income	789,470	3,964,673
OTHER INCOME (EXPENSE)		
Interest Expense	(480,367)	(497,373)
Interest Income	121,539	63,801
Foreign Exchange Gain (Loss)	2,723	(14,618)
Other, Net	242,150	(47,412)
	(113,955)	(495,602)
Income Before Income Taxes	675,515	3,469,071
Income Taxes	198,329	895,781
Net Income	\$ 477,186	\$2,573,290
Average Shares Outstanding	6,813,708	6,955,647
Net Income Per Share	\$0.07	\$0.37

*Net Sales, Gross Profit and Selling, General and Administrative Expenses for fiscal 1995 reflect the reclassification of trade marketing costs to be consistent with the presentation in the current period.

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Consolidated Statement of Cash Flows
For the Six Months Ended January 31

	1996 Unaudited	1995 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$1,890,074	\$5,392,222

Adjustments to Reconcile Net Income to

Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	4,069,690	3,828,110
Provision for bad debts	86,472	26,248
(Increase) Decrease in:		
Accounts Receivable	(3,367,992)	(4,887,236)
Inventories	(297,074)	(1,676,260)
Prepaid Expenses and Taxes	(232,877)	(1,776,807)
Other Assets	(268,541)	(225,957)
Increase (Decrease) in:		
Accounts Payable	466,539	1,344,951
Accrued Expenses	(886,029)	(1,307,29)
Deferred Compensation	159,775	(89,129)
Other	423,773	286,170
Total Adjustments	153,736	(4,477,201)
Net Cash Used In Operating Activities	2,043,810	915,021

CASH FLOWS FROM INVESTING ACTIVITIES

Capital Expenditures	(2,599,529)	(4,465,277)
Purchases of Investment Securities	-	(2,114,772)
Dispositions of Investment Securities	908,874	2,700,913
Other	-	19,697
Net Cash Used in Investing Activities	(1,690,655)	(3,859,439)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Short Term Borrowings		-
Principal Payments on Long Term Debt	(168,355)	(1,158,880)
Proceeds from Issuance of Common Stock	-	-
Dividends Paid	(1,018,524)	(976,035)
Foreign Currency Translation	(26,288)	5,117
Adjustment		
Purchases of Treasury Stock	(1,370,034)	-
Net Cash Used In Financing Activities	(2,583,201)	(2,129,798)
Net (Decrease) in Cash and Cash	(2,230,046)	(5,074,216)
Equivalents		
Cash and Cash Equivalents, Beginning of	8,829,667	6,394,315
Year		
Cash and Cash Equivalents, January 31	\$ 6,599,621	\$1,320,099

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SIX MONTHS ENDED JANUARY 31, 1996 COMPARED TO SIX MONTHS ENDED JANUARY 31, 1995

RESULTS OF OPERATIONS

Consolidated net sales for the six months ended January 31, 1996 were \$81,105,000, an increase of \$1,923,000, or 2.4%, over net sales of \$79,183,000 in the first six months of fiscal 1995. Net income for the six months ended January 31, 1996 was \$1,890,000 or \$0.28 per share, a decrease of 64.9% from \$5,392,000 or \$0.78 per share earned in the first six months of fiscal 1995. Net income for the 1996 period reflects an after tax charge to second quarter earnings of \$700,000, or \$0.10 per share, for the costs of settlement (and legal expenses) of a patent lawsuit. (See Part II, Item 1 in Legal Proceedings.)

Net sales of industrial and environmental sorbents decreased \$337,000 from prior year levels: Net sales of industrial clay absorbents increased slightly, while net sales of nonclay sorbents decreased \$565,000 or 21% reflecting continued competitive pressures and refocused sales and marketing efforts towards selected higher margin customers. Net sales of cat box absorbents increased \$1,089,000 or 3% from fiscal 1995 first half results. This growth is the result of new product introductions and expanded distribution of existing coarse litter products in the grocery industry. Increased net sales to grocery customers were offset by slightly decreased sales to non-grocery customers. In particular, net sales to Sams Club declined due to the introduction of a private label scoopable litter that replaced the Company's branded scoopable product in a substantial number of Sams locations. Sams continues to sell other Company branded products. Net sales to other non-grocery customers, including Wal-Mart Stores, Inc., were up 14% in the 1996 period. Net sales of agricultural absorbents increased \$973,000 or 10% from fiscal 1995 primarily because of 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 slightly from prior year levels due to competitive pressures and continued sluggish demand in certain of the Companys markets. Net sales of transportation services increased \$653,000 or 16% from fiscal 1995 because of increased third party mileage.

Consolidated gross profit as a percentage of net sales for the six months ended January 31, 1996 decreased to 29.6% from 31.0% in the first six months of fiscal 1995. Changes in sales mix towards less profitable products and increased costs of packaging materials and shipping contributed to this decline.

Operating expenses as a percentage of net sales increased to 25.7% in the first six months of fiscal 1996 from 20.7% in the first half of fiscal 1995. This change reflects the additional costs of approximately \$3,500,000 for promotional and advertising programs associated with new product introductions.

Interest expense decreased \$14,400 while interest income increased \$92,400.

The Companys effective tax rate increased to 28.0% of income in the first half of 1996 as compared to 25.5% for the first half of fiscal 1995.

Total assets of the Company decreased \$607,400 during the six months ended January 31, 1996. Current assets increased \$614,400 or 1.3% from fiscal year end balances reflecting increased accounts receivable and inventory balances offset against reduced cash and investments to fund increased sales. Property, plant and equipment, net of accumulated depreciation, decreased \$1,422,000 due to lower capital expenditures, relative to depreciation expense.

Total liabilities in the six months ended January 31, 1996 decreased \$36,300. Current liabilities increased \$698,400 or 4.5% from July 31, 1995 balances while noncurrent liabilities decreased \$734,700 or 3.2% from year end.

EXPECTATIONS

The Company anticipates sales growth, primarily from branded cat box absorbent products, as new product introductions take hold. The Company expects that earnings over the remainder of fiscal 1996 will be approximately equal to that of fiscal 1995. However, actual results may be materially lower than those reflected in these forward-looking statements, due primarily to continued vigorous competition in the grocery and, particularly, in the mass merchandising markets, the level of success of new products and the cost of new product introductions and promotions in the consumer market.

LIQUIDITY AND CAPITAL RESOURCES

The current ratio decreased slightly to 3.02 at January 31, 1996 from 3.11 at July 31, 1994. Working capital decreased \$83,900 in the six months ended January 31, 1996 to \$32,990,400. Cash provided by operations continues to be the Company's primary source of funds to finance operating needs and capital expenditures. During the six months ended January 31, 1996 the balances of cash and cash equivalents declined \$2,230,000. This reduction in cash, cash equivalents and investments was used to fund capital expenditures of \$2,599,500, to pay dividends of \$1,018,500 and to reduce debt by \$168,400. Total cash and investment balances held by the Company's foreign subsidiaries at January 31, 1996 and 1995 were \$2,505,200 and \$3,132,400 respectively.

The Company's long term debt at January 31, 1996 decreased \$1,318,265 from year end balances. Long term debt to equity decreased to 24.6% from 26.1% at July 31, 1995.

THREE MONTHS ENDED JANUARY 31, 1996 COMPARED TO THREE MONTHS ENDED JANUARY 31, 1995

Consolidated net sales for the three months ended January 31, 1996 were \$41,797,300, an increase of 4.1% from net sales of \$40,157,500 in the same period last year. Net income for the quarter ended January 31, 1996 was \$477,200, or \$0.07 per share, a decrease of 81.5% from net income of \$2,573,300 or \$0.37 per share reported in the quarter ended January 31, 1995. Net income in the 1996 period reflects an after-tax charge to earnings of \$700,000 or \$0.10 per share, for the costs of settlement and legal expenses of a patent lawsuit. (See Part II, Item 1 - Legal Proceedings.)

Net sales of industrial environmental sorbents decreased \$456,000, or 10% from prior year levels. Net sales of industrial clay absorbents decreased slightly, while net sales of nonclay sorbents decreased \$412,000 or 30% reflecting continued competitive pressures and refocused sales and marketing efforts towards selected higher margin customers. Net sales of cat box absorbents increased \$897,000 or 4% from fiscal 1995 second quarter results. This growth is the result of new product introductions and expanded distribution of existing coarse litter products in the grocery industry. Increased net sales to grocery customers were offset by a decrease of 7% in net sales to non-grocery customers. In particular, net sales to Sams Club declined due to the introduction of a private label scoopable litter that replaced the Company's branded scoopable product in a substantial number of Sams locations. Sams continues to sell other Company branded products. Net sales to other non-grocery customers, including Wal-Mart Stores, Inc., were up 7% in the 1996 period.

Net sales of agricultural absorbents increased \$1,312,000 or 27% from fiscal 1995 primarily because of agricultural absorbents 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 \$264,000 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 \$190,000 in the second quarter of fiscal 1996 as compared to the second quarter of fiscal 1995.

Consolidated gross profit for the three months ended January 31, 1996 decreased to 29.5% of net sales as compared to 30.3% in the second quarter of fiscal 1995 due to increased costs of packaging material and shipping. Selling, General and Administrative Expenses increased to 27.6% of net sales as compared to 20.4% of net sales in the second quarter of fiscal

1996 and 1995 respectively.

Interest expense for the second quarter of fiscal 1996 compared to the second quarter of fiscal 1995 decreased \$17,000. Interest income increased \$57,700 in the same period as a result of larger invested balances.

The Companys effective tax rate in the second quarter of fiscal 1996 was 29.4% of income as compared to 25.8% in the same period last year.

FOREIGN OPERATIONS

Net sales by the Companys foreign subsidiaries for the six months ended January 31, 1996 were \$6,213,900, constituting 7.7% of sales. This represents a decrease of \$128,200 or 2.0%, from the first half of fiscal 1995, in which foreign subsidiary sales were \$6,342,100 and constituted 8.0% of sales. This decrease is primarily due to slightly reduced sales in Canada. Net income of the Companys foreign subsidiaries for the six months ended January 31, 1996 was \$274,700, compared with \$220,900 in the second quarter of fiscal 1995. Identifiable assets of the Companys foreign subsidiaries as of January 31, 1996 were \$9,144,700, a decrease of \$1,076,700 from \$10,221,400 as of January 31, 1995.

The Companys net sales by its foreign subsidiaries for the three months ended January 31, 1996 were \$3,305,900, constituting 7.9% of sales. This represents a decrease of \$65,400 or 1.9% from the second quarter of fiscal 1995 in which foreign subsidiary sales were \$3,371,300 and constituted 8.4% of sales. This decrease is primarily due to slightly decreased sales in Canada. Net income of the Companys foreign subsidiaries for the three months ended January 31, 1996 was \$131,700 compared with \$126,900 in the second quarter of fiscal 1995.

Part II - Other Information

ITEM 1. Legal Proceedings - On February 13, 1996 the Company entered into a settlement agreement related to a patent infringement action that had been initiated by Edward Lowe Industries, Inc. in the United States District Court for the Northern District of Illinois, Eastern Division against the Company and Marcal Paper Mills, Inc. The settlement prohibits the Company and Marcal Paper Mills, Inc. from producing and marketing cellulosic granules as carriers for use in agricultural applications for a period of eight years. Additionally the Company and Marcal have been licensed to develop, produce and market cellulosic granules as cat litter and other absorbent granular products. The total pre-tax cost of the settlement, including legal expenses, was \$921,000 and has been charged against earnings in the quarter ended January 31, 1996.

Item 4. Submission of matters to a votes of security holders - On December 12, 1995 the 1995 Annual Meeting of Stockholders of Oil-Dri Corporation of America was held for the purpose of considering and voting on:

1. The election of ten directors.
2. The approval of the Oil-Dri Corporation of America 1995 Long Term Incentive Plan.

Election of Directors

The following schedule sets forth the results of the vote to elect directors.

Director	Votes For	Votes Withheld
J. Steven Cole	23,905,437	362,754
Ronald B. Gordon	23,904,937	363,254
Daniel S. Jaffee	23,899,130	369,061
Richard M. Jaffee	23,899,107	369,084
Robert D. Jaffee	23,899,130	369,061
Edgar D. Jannotta	23,905,437	362,754
Joseph C. Miller	23,905,437	362,754
Paul J. Miller	23,905,437	362,754
Haydn H. Murray	23,905,437	362,754
Allan H. Selig	23,904,987	363,204

Approval of The Oil-Dri Corporation of America 1995 Long Term Incentive Plan

The following schedule sets forth the results of the vote to approve The Oil-Dri Corporation of America 1995 Long Term Incentive Plan.

	FOR	AGAINST	ABSTAIN	BROKER NON-VOTES
Total Votes	22,580,557	938,083	160,332	589,219

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 Donald J. Deegan
Director of Finance and Accounting,
Chief Accounting Officer

BY Daniel S. Jaffee
President

Dated: March 14, 1996

INDEX TO EXHIBITS

EXHIBIT NUMBER	EXHIBIT TITLE	SEQUENTIALLY NUMBER	PAGE
(11)	Statement Re: Computation of Per Share Earnings		
(27)	Financial Data Schedule		

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
January 31, 1996	11/1/95 to 1/31/96	92 92	6,812,922	626,788,824 626,788,824	6,812,922
					786 6,813,708
January 31, 1995	11/1/94 to 1/31/95	92 92	6,949,822	639,383,624 639,383,624	6,949,822
					5,825 6,955,647
Six Months Ended					
January 31, 1996	08/01/95 to 08/08/95	8	6,901,322	55,210,578	6,826,500
	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 01/01/96	112	6,812,922	763,047,264	
		184		1,256,076,048	
					2,146 6,828,646
Six Months Ended					
January 31, 1995	08/01/94 to 08/08/94	8	6,951,822	55,614,576	6,949,909
	11/30/94 12/01/94 to 01/31/95	114 62	6,949,822 6,949,822	792,279,708 430,888,964	
		184		1,278,783,248	
Assuming exercise of options reduced by the number of shares which could have been purchased with the proceeds from exercise of such options.					
					6,789 6,956,698

6-MOS		
	JUL-31-1996	
	JAN-31-1996	
		6,599,621
		1,406,467
		24,909,494
		(278,405)
		11,191,258
		49,359,590
		109,441,705
		(51,404,271)
		116,380,304
	16,369,195	
		19,104,000
	0	
		0
		723,352
		77,044,022
116,380,304		
		81,105,246
	81,105,246	
		57,123,845
		77,969,009
		(547,459)
		86,472
		970,528
		2,626,696
		736,622
	1,890,074	
		0
		0
		0
		1,890,074
		0.28
		0.28