SCHEDULE 14A
(RULE 14A-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES
EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed by the registrant [X]

Filed by a party other than the registrant [ ]

Check the appropriate box:

[ ] Preliminary proxy statement

[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

[X] Definitive proxy statement

[ ] Definitive additional materials

[ ] Soliciting material pursuant to Rule 14a-11(c) or Rule 14a-12

OIL-DRI CORPORATION OF AMERICA

(Name of Registrant as Specified in Its Charter)

OIL-DRI CORPORATION OF AMERICA

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of filing fee (Check the appropriate box):

[X] No fee required.

[ ] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

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(5) Total fee paid:

[ ] Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

---

(2) Form, schedule or registration statement no.:

---

(3) Filing party:

---

(4) Date filed:

[OIL-DRI CORPORATION OF AMERICA LOGO]

November 2, 1998

Dear Stockholder:

On behalf of the Board of Directors and Management, I would like to invite you to attend Oil-Dri's Annual Meeting of Stockholders, which will be held at 10:30 a.m. on December 8, 1998, at the Standard Club, 320 South Plymouth Court, Chicago, Illinois.

The matters expected to be acted on in the meeting are described in depth in the attached Proxy Statement. A slate of ten directors is being recommended for re-election.

My brother, Robert Jaffee, an Oil-Dri director since 1956, is retiring from the board. I want to extend my sincere and deepest thanks to Bob for his long service. He has both challenged and supported me over these many years, and I am grateful for his input and guidance.

In addition to the formal portion of the meeting, we will take time to review the results of the past year and look at some of the opportunities which lie ahead.

We hope you will be able to attend our 1998 Annual Meeting. However, whether or not you are personally present, it is important that your shares are represented. Accordingly, please mark, sign, date and mail your proxy card in the enclosed envelope provided for this purpose.

Sincerely,

/s/ RICHARD M. JAFFE

RICHARD M. JAFFEE
Chairman of the Board

OIL-DRI CORPORATION OF AMERICA

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON DECEMBER 8, 1998

To the Stockholders of
Oil-Dri Corporation of America

Notice is hereby given that the 1998 Annual Meeting of Stockholders of Oil-Dri Corporation of America, a Delaware corporation (the "Company") will be held at the Standard Club, located at 320 Plymouth Court, Chicago, Illinois, on December 8, 1998 at 10:30 a.m., local time, for the purpose of considering and voting on:

1. The election of ten Directors;

2. Such other business as may properly come before the meeting.

The stock transfer books of the Company will remain open. The Board of Directors has determined that only holders of record of outstanding shares of Common Stock and Class B Stock at the close of business on October 23, 1998 are entitled to notice of, and to vote at, the annual meeting or any adjournment thereof. All stockholders, whether or not they now expect to be present at the meeting, are requested to date, sign, and return the enclosed proxy, which requires no postage if mailed in the United States.

Your attention is directed to the following pages for further information relating to the meeting.

By Order of the Board of Directors

/S/ MICHAEL L. GOLDBERG

MICHAEL L. GOLDBERG
Secretary

Chicago, Illinois
November 2, 1998

OIL-DRI CORPORATION OF AMERICA

410 NORTH MICHIGAN AVENUE
SUITE 400
CHICAGO, ILLINOIS 60611

PROXY STATEMENT

GENERAL

This Proxy Statement and the accompanying proxy are being mailed on or about November 2, 1998, to all holders of record of outstanding shares of Common Stock and Class B Stock at the close of business on October 23, 1998. Proxies are being solicited on behalf of the Board of Directors for use at the 1998 Annual Meeting of Stockholders, notice of which accompanies this Proxy Statement. Any stockholder giving a proxy has the power to revoke it at any time prior to the exercise thereof by executing a subsequent proxy, by notifying the Secretary of the Company of such revocation in writing (such notification to be directed to him at the Company's offices at 410 North Michigan Avenue, Suite 400, Chicago, Illinois 60611), or by attending the annual meeting and voting in person. IF NO CONTRARY INSTRUCTION IS INDICATED IN THE PROXY, EACH PROXY WILL BE VOTED "FOR" THE ELECTION OF THE TEN NOMINEES NAMED BELOW TO THE BOARD OF DIRECTORS. See "1. ELECTION OF DIRECTORS".

The Company will pay the costs of this solicitation of proxies for the annual meeting. In addition to using the mails, officers and certain other regular employees of the Company may solicit proxies in person and by telephone and facsimile. The Company may reimburse brokers and others who are record holders of Common Stock and Class B Stock for their reasonable expenses incurred in obtaining voting instructions from the beneficial owners of such stock.

VOTING

The record date for the determination of stockholders entitled to vote at the meeting is October 23, 1998, at the close of business. Holders as of the record date of outstanding shares of Common Stock and Class B Stock are entitled to vote at the meeting. Holders of Common Stock are entitled to one vote per share and holders of Class B Stock to ten votes per share (on a non-cumulative basis for each director to be elected when voting for the election of directors) and vote together without regard to class (except that any amendment to the Company's Certificate of Incorporation changing the number of authorized shares or adversely affecting the rights of Common Stock or Class B Stock requires the separate approval of the class so affected as well as the approval of both classes voting together). Holders of Class B Stock are entitled to convert any and all of such stock into Common Stock on a share-for-share basis at any time and are subject to mandatory conversion under certain circumstances. As of the record date, 4,415,838 shares of Common Stock and 1,437,179 shares of Class B Stock were outstanding.

ELECTION OF DIRECTORS

The election of directors requires a plurality of votes cast. Accordingly, only proxies and ballots marked "FOR" all nominees listed (including executed proxies not marked with respect to election of directors, which will be voted for all listed nominees), or voting for some, but not all nominees, by specifying that votes be withheld for one or more designated nominees, are counted to determine the total number of votes cast for the various nominees, with the ten nominees receiving the largest number of votes being elected. Abstentions and broker non-votes have no effect on the outcome of the election of directors.

PRINCIPAL STOCKHOLDERS

The following table sets forth information, as of September 30, 1998, except as noted below, regarding beneficial ownership of the Company's Common Stock and Class B Stock by each person or group known to the Company to hold more than five percent of either class. See "Security Ownership of Management" for information on beneficial ownership of the Company's Common Stock and Class B Stock by the Company's executive officers and directors as a group.

NAME AND ADDRESS OF BENEFICIAL OWNER		AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP(1): NUMBER OF SHARES OF COMMON STOCK AND CLASS B STOCK OWNED WITH SOLE INVESTMENT AND VOTING POWER	PERCENTAGE OF OUTSTANDING STOCK OF CLASS	PERCENTAGE OF AGGREGATE VOTING POWER OF COMMON STOCK AND CLASS B STOCK REPRESENTED BY SHARES OWNED
Richard M. Jaffee(11)..............	Common Stock:	20,392(3)	.46%	.01%
410 N. Michigan Ave.	Class B	718,842(4)(5)	50.02%	38.24%
Chicago, IL 60611	Stock:			
Jaffee Investment Partnership,	Common Stock:	--	--	--
L.P.(11)..........................	Class B	550,000(5)	38.27%	29.26%
410 N. Michigan Ave.	Stock:			
Chicago, IL 60611				
Heartland Advisors, Inc.(2).........	Common Stock:	857,900(6)	19.17%	1.80%
790 N. Milwaukee Street	Class B	--	--	--
Milwaukee, WI 53202	Stock:			
T. Rowe Price Assoc., Inc.	Common Stock:	556,000(7)	12.57%	.20%
100 East Pratt	Class B	--	--	--
Baltimore, MD 21202	Stock:			
Tweedy Brown Co., L.P.(2)...........	Common Stock:	537,134(8)	12.00%	2.85%
52 Vanderbilt Ave.	Class B	--	--	--
New York, NY 10017	Stock:			
Franklin Resources, Inc.(2).........	Common Stock:	357,800(9)	8.00%	.43%
777 Mariners Island Boulevard	Class B	--	--	--
San Mateo, CA 94403-7777	Stock:			
Dimensional Fund Advisors,	Common Stock:	355,800(10)	7.95%	1.27%
Inc.(2)...........................	Class B	--	--	--
1299 Ocean Avenue	Stock:			
Santa Monica, CA 90401				

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(1) Beneficial ownership is defined in applicable Securities and Exchange Commission rules as sole or shared power to vote or to direct the disposition of a security. All beneficial ownership is with sole voting power and sole investment power except as described in the Notes below.

(2) Information given is as of June 30, 1998.

(3) Includes 2,292 shares held in a revocable trust of which Richard M. Jaffee is the grantor and, during his lifetime, the trustee and sole beneficiary. Also includes 18,000 shares of Common Stock which Mr. Jaffee has the right to acquire within 60 days of September 30, 1998.

(4) Consists of 638,455 shares held in a revocable trust of which Richard M. Jaffee is the grantor and, during his lifetime, the trustee and sole beneficiary and 80,387 shares held in a revocable trust of which Richard M. Jaffee's wife is the grantor and during her lifetime the trustee and sole beneficiary.

(5) The Jaffee Investment Partnership L.P. is managed by its general partners, generally acting by a majority vote. Two of the general partners, Richard M. Jaffee and Shirley H. Jaffee, each have three votes. Each of the remaining four general partners, Daniel S. Jaffee, Karen Jaffee Cofsky, Susan Jaffee Hardin and Nancy E. Jaffee, all children of Richard M. and Shirley Jaffee, have one vote. Mr. Richard M. Jaffee, as the managing general partner, might be deemed to have, but disclaims, beneficial ownership of the Partnership's shares, which are not reflected in his share ownership shown in the table.

(6) Heartland Advisors, Inc. held sole dispositive power over 857,900 shares of Common Stock and sole voting power over 339,900 shares of Common Stock.

(7) These securities are owned by various individuals and institutional investors, including T. Rowe Price Small Cap Value Fund, Inc. (which owns 500,000 shares of Common Stock, representing 11.3% of the Common Stock outstanding and 2.66% of the aggregate voting power), which T. Rowe Price Associates, Inc. ("Price Associates") serves as investment adviser with power to direct investments and/or sole power to vote the securities. Price Associates has dispositive power over 556,000 shares of Common Stock and sole voting power over 38,000 shares of Common Stock. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities.

(8) Tweedy Brown, Co., L.P. held shared dispositive power over 522,479 shares of Common Stock, sole voting power over 500,864 shares of Common Stock and shared voting power over 21,283 shares of Common Stock. TBK Partners, an affiliate, held sole dispositive and voting power over 14,655 shares of Common Stock.

(9) Franklin Resources, Inc. ("FRI") held shared dispositive power and sole voting power over 357,800 shares of Common Stock. FRI disclaims any economic interest or "beneficial ownership" of these shares of Common Stock.

(10) Dimensional Fund Advisors, Inc. ("Dimensional"), a registered investment advisor, is deemed to have beneficial ownership of 355,800 shares of Common Stock with power to dispose of such shares and power to vote 240,000 of such shares, all of which shares are held in portfolios of DFA Investment Dimension Group, Inc., a registered open-end investment company (the "Fund"), The DFA Investment Trust Company (the "Trust"), or the DFA Group Trust and the DFA Participating Group Trust, investment vehicles for qualified employee benefit plans, all of which Dimensional serves as investment manager. Dimensional disclaims beneficial ownership of all such shares. Persons who are officers of Dimensional also serve as officers of the Fund and the Trust; in such capacity, these persons vote 61,000 additional shares owned by the Fund and 54,800 shares owned by the Trust (both included in the 355,800 shares beneficially owned).

(11) By virtue of their direct and indirect ownership of shares of the Company's stock, Richard M. Jaffee and the Jaffee Investment Partnership, L.P. may be deemed to be control persons of the Company under the federal securities laws.

SECURITY OWNERSHIP OF MANAGEMENT

The following table shows the number of shares of Common Stock and Class B Stock of the Company beneficially owned as of September 30, 1998 by the directors, by the executive officers named in the Summary Compensation Table and by the directors and executive officers as a group.

NAME OF BENEFICIAL OWNER(1)	NUMBER OF SHARES OF COMMON STOCK(2)	NUMBER OF SHARES OF CLASS B STOCK(2)
Richard M. Jaffee (11)	(3)(9)	(3)
Daniel S. Jaffee (11)	40,107(4)(9)	58,775(5)
Robert D. Jaffee (11)(12)	--	25,000
J. Steven Cole	7,240	--
Edgar D. Jannotta	50,000(6)	--
Paul J. Miller	4,904(7)	--
Haydn H. Murray	1,316(8)	--
Allan H. Selig	4,000	--
Joseph C. Miller	27,100(10)	--
Ronald B. Gordon	8,000	--
Arnold W. Donald	--	--
Michael L. Goldberg	5,000	--
Steven M. Levy	3,702(13)	--
Richard V. Hardin	42,354(9)(14)	25,361(15)
Norman B. Gershon	716	--
All Executive Officers and Directors as a group (16 in group)	220,215(16)(17)	827,978

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(1) Beneficial ownership is defined in applicable Securities and Exchange Commission rules as sole or shared power to vote or to direct the disposition of a security. All beneficial ownership is with sole voting power and sole investment power except as described in the Notes below.

(2) None of the nominees for election to the Board of Directors, other than Richard M. Jaffee and Daniel S. Jaffee, own any shares of Class B stock. The number of shares of Common Stock owned beneficially by each of the other nominees for election to the Board of Directors other than Edgar D. Jannotta, constitute less than 1% of the number of outstanding shares of Common Stock and represent shares having less than 1% of the aggregate voting power of the Common Stock and Class B Stock.

(3) For information regarding the shares owned by Richard M. Jaffee, see the table under the heading "Principal Stockholders" and the Notes thereto.

(4) Includes 2 shares of Common Stock owned by Daniel S. Jaffee's spouse and 33,000 and 4,000 shares of Common Stock which Daniel S. Jaffee and his spouse, respectively, have the right to acquire within 60 days of September 30, 1998, pursuant to stock options.

(5) Includes 15,951 shares of Class B Stock held by Daniel S. Jaffee as trustee of the Richard M. Jaffee 1993 Annuity Trust and 15,963 shares of Class B Stock held by Daniel S. Jaffee as trustee of the Shirley Jaffee 1993 Annuity Trust. Daniel S. Jaffee has beneficial ownership of 4.09% of Class B Shares which represents 3.13% of the aggregate voting power of Common Stock and Class B Stock.

(6) Mr. Jannotta is a senior director of William Blair & Company, L.L.C. which has served as the Company's investment banking advisor for a number of years. The shares of Common Stock shown above as owned by Mr. Jannotta represent 1.13% of the outstanding shares of Common Stock, but represent less than 1.0% of the aggregate voting power of the Common Stock and Class B Stock. These shares do not include shares held by William Blair & Company, L.L.C. in its proprietary or managed accounts.

(7) Includes 888 shares of Common Stock owned by Mr. Paul Miller's spouse.

(8) Includes 800 shares of Common Stock owned by Mr. Murray's spouse.

(9) Does not include shares owned by the Jaffee Investment Partnership, L.P. For information regarding the shares held by the partnership see the table under the heading "Principal Stockholders" and the Notes thereto.

(10) Includes 18,500 shares of Common Stock which Mr. Joseph Miller has the right to acquire within 60 days of September 30, 1998, pursuant to stock options.

(11) Richard M. Jaffee and Robert D. Jaffee are brothers. Daniel S. Jaffee is Richard M. Jaffee's son.

(12) Robert D. Jaffee, an incumbent director, is not a current nominee for the Board of Directors.

(13) Includes 3,000 shares of Common Stock which Mr. Levy has the right to acquire within 60 days of September 30, 1998.

(14) Includes 4,701 shares of Common Stock owned by Mr. Richard V. Hardin's spouse, and 2,000 shares of Common Stock which Mr. Hardin has the right to acquire within 60 days of September 30, 1998, pursuant to stock options. Mr. Hardin is Richard M. Jaffee's son-in-law.

(15) Includes 22,361 shares of Class B Stock owned by Richard V. Hardin's spouse and 3,000 shares of Class B Stock owned by his spouse as trustee for their children. Richard Hardin has beneficial ownership of 1.76% of Class B Shares which represents 1.35% of the aggregate voting power of Common Stock and Class B Stock.

(16) Includes 4,100 shares of Common Stock which an executive officer not named has the right to acquire within 60 days of September 30, 1998. Also includes 2,000 shares of restricted stock granted to another unnamed executive officer, which vest on October 6, 1999 and which he has the power to vote.

(17) Includes 82,600 shares of Common Stock which constitute all such shares that the executive officers and directors of the Company have the right to acquire within 60 days of September 30, 1998 (including the shares of Common Stock which may be acquired as described in Notes above and in the Notes under the heading "Principal Stockholders").

INFORMATION CONCERNING THE BOARD OF DIRECTORS

During the fiscal year ended July 31, 1998, four meetings of the Board of Directors were held. Each director, with the exception of Arnold W. Donald, attended at least 75% of the meetings of the Board and of any Board Committee on which he sits.

The Company has an Audit Committee presently composed of three persons who are outside directors -- Messrs. J. Steven Cole, Allan H. Selig, and Ronald B. Gordon. The Audit Committee makes recommendations to the Board of Directors regarding the engagement of independent public accountants, reviews the scope of the audit and other services rendered by independent public accountants and the fees and other arrangements regarding the services of independent public accountants, reviews audit results with the independent public accountants, and receives reports on the Company's accounting systems and internal accounting controls. In addition, the Audit Committee reviews related transactions and potential conflicts of interest with regard to such transactions. The Audit Committee held one meeting during the fiscal year ended July 31, 1998.

The Company has a Compensation Committee and a Stock Option Committee, each presently composed of four persons who are outside directors -- Messrs. J. Steven Cole, Paul J. Miller, Allan H. Selig, and Ronald B. Gordon. The Compensation Committee is responsible for reviewing the compensation, including benefits, of the Chief Executive Officer and other executive officers of the Company. The Stock Option Committee is responsible for reviewing the Company's stock option plans and granting stock options to employees, including grants to the executive officers of the Company. The Compensation Committee and the Stock Option Committee generally meet jointly. During the fiscal year ended July 31, 1998, there were three joint meetings and one action by consent.

The Company does not have a nominating committee.

1. ELECTION OF DIRECTORS

The shares represented by each proxy will be voted, if no contrary instruction is indicated in the proxy, to elect as directors the ten nominees named below to hold office until the next Annual Meeting of Stockholders and until their successors have been elected and qualify. Each nominee is currently a director of the Company. If any nominee should be unable or unwilling to serve, which is not now contemplated, the proxy holders may, but will not be bound to, vote for a substitute nominee.

NOMINEES FOR DIRECTORS

[PHOTO]
Richard M. Jaffee
Age 62
Director since 1958

Chairman of the Board of the Company

Mr. Jaffee received a degree from the University of Wisconsin School of Business in 1957 and earned his CPA certificate in that same year. He worked briefly for the public accounting firm of Touche Niven et. al. After service as an officer in the U.S. Army, he joined the Company in 1958, becoming its president in 1960, a position he held until 1995. He has served as Chairman of the Board of the Company since 1962. He served as Chief Executive Officer of the Company from 1962 until 1997. Mr. Jaffee is a director of Harris Bancorp, Inc. and Bankmont Financial, subsidiaries of the Bank of Montreal. He is a trustee and a member of the executive committee of Rush-Presbyterian-St. Luke's Medical Center, the Illinois Institute of Technology, and the Chicago Historical Society. In addition he is a trustee of the Chicago Museum of Science and Industry and a director of Students in Free Enterprise.

[PHOTO]
Daniel S. Jaffee
Age 34
Director since 1992

President and Chief Executive Officer of the Company
Chief Executive Officer of Favorite Products, Ltd., a Subsidiary of the Company

Mr. Jaffee graduated from Georgetown University in 1986. Mr. Jaffee joined the Company in 1987 after a year with Price Waterhouse. He was a product manager in the Industrial and Agricultural divisions of the Company until 1989. Mr. Jaffee was Group Vice President of Canadian Operations, Management Information Systems and Finance of the Company in 1990. In 1990 he also became Chief Financial Officer of the Company, a position he held until 1995. From 1990 to 1992, Mr. Jaffee was Group Vice President, Domestic and Canadian Operations of the Company. From 1992 to 1994, Mr. Jaffee was Group Vice President Canadian Operations and Consumer Products-Grocery of the Company. From 1994 until 1995 he was Group Vice President, Consumer Products of the Company. Since 1990 he has been Chief Executive Officer of Favorite Products, Ltd., a Subsidiary of the Company. Mr. Jaffee became President of the Company in 1995 and Chief Executive Officer in 1997. He was Chief Operating Officer from 1995 to 1997. Mr. Jaffee's civic activities include the Lawndale Community Church's track club, the Chicago Foundation for Education, and the Anti-Cruelty Society of Chicago.

[PHOTO]
J. Steven Cole
Age 64
Director since 1981

President, Cole and Associates
Chairman of the Board, SAV-A-LIFE Systems, Inc.

Mr. Cole graduated from the University of Wisconsin in 1957. After serving as an officer in the United States Army, he received a master's degree from the American Graduate School for International Business following graduate studies at the University of Michigan. He began his career at Abbott Laboratories in 1962. Later, he joined G.D. Searle and Company, where he became Vice President of the Asian and Canadian Divisions, a position he held until 1986. In 1986, Mr. Cole joined A.H. Robins Company, where he was a senior vice president responsible for all international operations until 1990. In 1990, he became president of Cole and Associates, an international consulting firm. In 1990 Mr. Cole also became president of SAV-A-LIFE Systems, Inc., a firm selling specialty products to the dental and medical professions. He held this position until 1994 when he became Chairman of the Board. Mr. Cole is also a director of Chapman's Partners.

[PHOTO]
Arnold W. Donald
Age 43
Director since 1997

Senior Vice President, Monsanto Life Sciences Company

Mr. Donald received a BA degree in economics from Carleton College in 1976, earned a BS degree in mechanical engineering from Washington University in St. Louis in 1977, and an MBA from the University of Chicago Graduate School of Business in 1980. Mr. Donald joined Monsanto Company in 1977 as a senior market analyst. He joined the agricultural group in 1981 and in 1983 became Market Manager-Canada. In 1986 he became U.S. Product Director for Roundup, and in 1987 was named head of the lawn and garden business. In 1991 he became Vice President, Residential Products Division, and in 1992 he became Vice President and General Manager of the Crop Protection Products Division. In 1993 the agricultural group was reorganized on a geographical basis and he was named Group Vice President of the North American Division. In 1994 the division was expanded to include Latin America and Mr. Donald became Group Vice President and General Manager. In 1995 he was named President, Crop Protection; in 1997 assumed the position of Co-President, Ag Sector; and in 1998 was named to his current position of Senior Vice President. Mr. Donald serves on the executive boards of the American Crop Protection Association, Washington University Eliot Society, and Fair St. Louis. He serves on the boards of Strategic Distribution, Inc., Jackson Laboratories, St. Louis Region Commerce and Growth Association, National FFA Organization, Carleton College, Opera Theatre of St. Louis, and the Municipal Theatre Association of St. Louis. He is a member of the advisory boards of the Junior League of St. Louis and the St. Louis Butterfly House and serves on the national Advisory Council for Washington University's School of Engineering. He is also a member of the Executive Leadership Council.

[PHOTO]
Ronald B. Gordon
Age 55
Director since 1995

Chief Executive Officer, Beiersdorf North America

Mr. Gordon graduated from the University of Pennsylvania in 1964 and received a master's degree from Columbia University in 1966. Mr. Gordon worked in brand management and advertising management for Procter & Gamble from 1966 to 1983. In 1983, Mr. Gordon joined International Playtex, Inc. as Vice President and General Manager of Playtex Family Products, U.S. He became Senior Vice President and General Manager of U.S. and Canadian Playtex Family Products in 1985 and held that position through 1987. Mr. Gordon was Executive Vice President of the Playtex Family Products Corporation from 1988 through 1989. During 1990, Mr. Gordon was an independent executive consultant. Mr. Gordon joined Goody Products, Inc. in 1991 as President and Chief Operating Officer and held that position until 1994. Mr. Gordon founded Gordon Investment Group, a company which finances and oversees start-up businesses, in 1994. In 1997, Mr. Gordon joined Beiersdorf, Inc. as Chief Executive Officer of their North American operations. He is a director of Creative Products Resource, Inc. and an associate trustee of the University of Pennsylvania.

[PHOTO]
Edgar D. Jannotta
Age 67
Director since 1969

Senior Director, William Blair & Company, L.L.C.

Mr. Jannotta graduated from Princeton University in 1953 and after graduation served as an officer in the United States Navy. He received a master's degree from Harvard Business School in 1959. Mr. Jannotta joined William Blair & Company in 1959. Mr. Jannotta served as managing partner of William Blair & Company from 1977 until 1995 and as senior partner in 1995. In 1996 William Blair & Company converted from a partnership and became William Blair & Company, L.L.C. Mr. Jannotta became a senior director at that time. He is a director of AAR Corp., Aon Corporation, Bandag, Incorporated, Molex Incorporated, and Unicom Corporation. Mr. Jannotta is President and a trustee of Lyric Opera of Chicago and a trustee and Vice-Chairman of the Board of The University of Chicago. He is also a trustee of Rush-Presbyterian-St. Luke's Medical Center, Chicago Historical Society, and Chicago Foundation for Education.

[PHOTO]
Joseph C. Miller
Age 56
Director since 1989

Vice-Chairman of the Board of the Company

Mr. Miller graduated from the West Virginia University School of Business in 1964. After serving as an officer in the United States Army, he joined Republic Steel Corporation in 1966. Mr. Miller served as president of Lowes, Inc., Inland Distributing and Whiteford Transportation Systems. He joined the Company in 1989 as Vice President of Corporate Planning and Marketing. He served as Group Vice President for Sales, Marketing and Distribution from 1990 to 1993. Mr. Miller was Senior Vice President for the Consumer, Industrial & Environmental and Transportation Groups of the Company from 1993 to 1995. He became Vice Chairman of the Board in 1995. Mr. Miller is a director of Key Bank of Indiana and Travelmore, Inc. He is a trustee and Vice Chairman of St. Joseph Care Group and Co-Chairman of the Center of Hope Campaign.

[PHOTO]
Paul J. Miller
Age 69
Director since 1975

Partner, Sonnenschein Nath & Rosenthal

Mr. Miller graduated from Yale University in 1950. He received his law degree from Harvard Law School in 1953. Mr. Miller served as an officer in the Judge Advocate General's Corps of the United States Army from 1954 to 1957. He joined Sonnenschein Nath & Rosenthal, attorneys and general counsel to the Company, in 1957. He has been a partner of the firm since 1963.

[PHOTO]
Haydn H. Murray
Age 74
Director since 1984

Professor Emeritus of Geology, Indiana University
President, H. H. Murray and Associates

After serving in the military as an officer from 1943 to 1946, Dr. Murray attended the University of Illinois, from which he received a bachelor's, a master's and a doctorate. Upon completion of his doctorate, Dr. Murray joined Indiana University, becoming Associate Professor in 1954. Dr. Murray joined Georgia Kaolin as its Director of Research and Development in 1957 and held several executive positions including Executive Vice President from 1964 until 1973. He returned to Indiana University as Chairman of the Department of Geology in 1973 and held that position until 1984. He was Professor of Geology from 1984 to 1994 and Professor Emeritus from 1994 to present. In 1994, Dr. Murray formed H.H. Murray and Associates, a consulting firm. He is a trustee of the Grassmann Trust and the Union Foundation and immediate past president of the International Clay Minerals Association.

[PHOTO]
Allan H. Selig
Age 64
Director since 1969

Commissioner of Major League Baseball
President and Chairman of the Board, Selig Lease Company

Mr. Selig received a bachelor's degree from the University of Wisconsin in 1956. After two years in the United States Army, Mr. Selig joined Selig Ford, Inc. He served as president of Selig Ford (which became Selig Chevrolet in 1982) from 1959 until 1990. Since 1970 he has served as Chairman of the Board and President of Selig Lease Company. Mr. Selig became President and Chief Executive Officer of the Milwaukee Brewers Baseball Club, Inc. in 1970 and served in that capacity until 1998 when he was elected to the position of Commissioner of Major League Baseball. He also served as Chairman of the Executive Council of Major League Baseball from 1992 to 1998. Mr. Selig is a director of the Green Bay Packers, Baird Mutual Funds, Greater Milwaukee Committee, University of Wisconsin Medical School, Marcus Corp. and the Milwaukee Club. He is founder and Vice Chairman of Athletes for Youth and co-founder of the Child Abuse Prevention Fund.

EXECUTIVE COMPENSATION

The following table shows, for the fiscal years ended July 31, 1998, 1997 and 1996, the compensation of the chief executive officer, the four other most highly compensated executive officers of the Company serving as such at July 31, 1998 and one other person who would have been included except that he was not serving as an executive officer at July 31, 1998.

SUMMARY COMPENSATION TABLE

		ANNUAL COMPENSATION(1)			LONG TERM COMPENSATION(7)		
NAME AND PRINCIPAL POSITION	FISCAL YEAR	SALARY	BONUS	OTHER ANNUAL COMPENSATION	RESTRICTED STOCK AWARDS	OPTION AWARDS	ALL OTHER COMPENSATION
Richard M. Jaffee............	1998	$300,000	--	$10,324(2)	--	--	$145,906(3)(4)
Chairman of the Board	1997	300,000	$120,000	4,832	--	7,500	155,153
	1996	300,000	--	4,087	--	20,000	190,065
Daniel S. Jaffee.............	1998	$225,000	$ 83,250	--	--	232,500	$ 500(6)
President and	1997	169,058	67,623	--	--	15,000	375
Chief Executive Officer	1996	154,350	15,187	--	--	40,000	250
Michael L. Goldberg..........	1998	$178,917	$ 57,668	--	--	58,000	$ 500(6)
Executive Vice President,	1997	166,417	54,917	--	--	4,500	--
Chief Financial Officer and Corporate Secretary	1996	40,000	3,608	$26,575(8)	$27,250(9)	12,000	--
Steven M. Levy...............	1998	$148,542	$ 42,780	$ 7,039(10)	--	95,000	$ 500(6)
Vice President,	1997	132,150	47,574	58,935(10)	--	3,750	375
Consumer Products Div.	1996	126,150	9,309	58,917(10)	--	10,000	125
Richard V. Hardin............	1998	$126,791	$ 35,186	$ 7,793(2)	--	1,125	$ 500(6)
Group Vice President,	1997	124,292	37,287	6,197	--	1,125	375
Technology	1996	120,900	9,913	3,573	--	3,000	250
Norman B. Gershon(5).........	1998	$240,000	$ 43,056	--	--	--	$ 6,398(5)
Vice President,	1997	240,000	36,000	--	--	1,500	7,163
International Operations	1996	240,000	8,855	--	--	4,000	8,176

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(1) Amounts shown include cash compensation earned during the year covered, whether received or deferred at the election of the officer, including amounts earned but deferred at the election of those officers pursuant to the Oil-Dri Corporation of America Deferred Compensation Plan. In the fiscal year ended July 31, 1998, $25,000 and $36,746 was deferred by Daniel S. Jaffee and Richard V. Hardin, respectively, under the provisions of the Plan. Interest on deferred compensation under the Plan is described under the heading, "Remuneration of Directors".

(2) Interest accrued on income deferred by Richard M. Jaffee and Richard V. Hardin under the Company's Key Employee and Director Deferred Compensation Program. This is the amount of interest in excess of 120% of the applicable Federal rate under Internal Revenue Code Section 1274(d). Deferrals under this plan were discontinued as of January 1, 1996.

(3) The Company provides split dollar joint survivorship life insurance policies in the aggregate amount of $10,000,000 on the lives of Richard M. Jaffee and his wife, with payment to be made on the death of the last to survive. The premiums paid by the Company on the policies, net of dividends, are charged to an open account established by the Company. No interest accrues on the balance of the open account. On the death of the insured, the estate of the deceased is obligated to pay the balance of the deceased's open account in full. The value of the premiums paid by the Company is estimated as if such premiums were advanced to Mr. Jaffee without interest for the actuarially determined period between the Company's payment of the premium and its refund to the Company; such value for the fiscal year ended July 31, 1998, was $119,922.

(4) $625 represents payments on behalf of Mr. Jaffee by the Company to a defined contribution plan. $19,424 constitutes the economic benefit to Mr. Jaffee of the term life component of the split dollar policies described in Note (3); Mr. Jaffee pays this amount directly to the insurance company as premium and is reimbursed by the Company. $5,935 constitutes the estimated economic benefit for fiscal year 1998 of an agreement between the Company and Mr. Jaffee to pay Mr. Jaffee $300,000 upon his retirement. On death or total disability of Mr. Jaffee during the term of the agreement, the Company has agreed to pay his widow or the Richard M. Jaffee Revocable Trust an amount equal to two fiscal

years' compensation based upon the highest amount per fiscal year paid him during the period beginning August 1, 1989. Effective August 1, 1999, this agreement has been amended to eliminate thereafter the payment on death described in the preceding sentence and to continue its term until 2009.

(5) Mr. Gershon's compensation includes a cost-of-living factor reflecting the fact that Mr. Gershon is based in Switzerland. $6,398 represents payments on behalf of Mr. Gershon by Oil-Dri, S.A., a subsidiary, to a defined contribution plan. At July 31, 1998, the Company no longer classified Mr. Gershon as an executive officer, as that term is defined under Security and Exchange Commission regulations.

(6) Amounts shown represent payments by the Company on behalf of Messrs. Daniel S. Jaffee, Michael L. Goldberg, Richard V. Hardin and Steven M. Levy to a defined contribution plan.

(7) No stock appreciation rights (SARs) or other long-term incentive plan payouts, other than restricted stock and options, were granted or earned by the executive officers in any fiscal year covered by this table.

(8) In the fiscal year ended July 31, 1996, Mr. Goldberg received a $25,000 hiring bonus.

(9) The restricted stock shown in the table vested on May 1, 1998.

(10) Amounts shown include a hiring bonus of $20,000, $10,000 of which was paid in the fiscal year ended July 31, 1996. Mr. Levy was reimbursed for relocation expenses of $36,346 and $28,661 in the fiscal years ended July 31, 1997 and 1996, respectively. In the fiscal years ended July 31, 1998, 1997 and 1996, Mr. Levy was reimbursed $7,039, $16,289 and $14,655 for taxes associated with the reimbursement of these relocation expenses.

STOCK OPTIONS

Shown in the tables below is information with respect to (i) options to purchase the Company's Stock (as defined below in Note (1) granted in the fiscal year ended July 31, 1998 to the executive officers named in the "Summary Compensation Table" ("Named Officers") and (ii) unexercised options to purchase the Company's Common Stock or Stock as defined in Note (1) which were held as of July 31, 1998 by the Named Officers. No options were exercised by any of the Named Officers listed below during the 1998 fiscal year. In addition, the "Ten Year Option Repricing Table" furnishes information concerning repricing of options held by executive officers during the last 10 completed fiscal years.

1998 OPTION GRANTS

NAME	NUMBER OF SHARES UNDERLYING OPTIONS GRANTED(1)(3)	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE PRICE($)	EXPIRATION DATE	POTENTIAL REALIZED VALUE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR OPTION TERM(2) 5%($)	10%($)
Richard M. Jaffee..........	--	--	--	--	--	--
Daniel S. Jaffee(6)........	32,500	3.14%	17.625	9/19/07	360,239	912,916
	100,000(4)	9.65	15.938	4/16/08	1,002,301	2,540,027
	100,000	9.65	14.063	6/24/08	884,388	2,241,200
Michael L. Goldberg........	9,000	0.87	17.625	9/19/07	99,759	252,807
	24,500(4)	2.36	15.938	4/16/08	245,564	622,307
	24,500	2.36	14.063	6/24/08	216,674	549,094
Steven M. Levy.............	7,500	0.72	17.625	9/19/07	83,132	210,673
	38,750(4)	3.71	15.938	4/16/08	385,886	977,910
	10,000	0.96	14.625	6/09/08	91,976	233,085
	38,750	3.71	14.063	6/24/08	340,487	862,862
Richard V. Hardin(6).......	1,125	0.11	17.625	9/19/07	12,470	31,601
Norman B. Gershon..........	--	--	--	--	--	--

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(1) All options to purchase the Company's Stock granted in the fiscal year ended July 31, 1998 were issued under the terms of the Oil-Dri Corporation of America 1995 Long Term Incentive Plan. "Stock" as

defined in the Plan means Class A Common Stock, except that if no Class A Common Stock is issued and publicly traded on any securities market when options are exercised, the shares awarded would be Common Stock and, with respect to any Award made in Class B Stock to a member of the Jaffee Family who is an employee of the Company or one of its subsidiaries that is more than 50% owned by the Company, Class B Stock. As of the date of this Proxy Statement, no shares of Class A Common Stock had been issued.

(2) Potential gains are net of exercise price, but before any taxes that may be associated with exercise. These amounts represent certain assumed rates of appreciation only, based on the Securities and Exchange Commission's rules. Actual gains, if any, on stock option exercises are dependent on the future performance of the Common Stock, overall market conditions, and the option holders' continued employment through the term of the option. The amounts reflected in this table may not necessarily be achieved.

(3) The Company's option plans are administered by the Stock Option Committee of the Board of Directors. All options granted in the fiscal year ended July 31, 1998 have an exercise price equal to the fair market value on the date of grant and, except for the options repriced on June 24, 1998, vest over a five year period with 25% vesting on the second anniversary of the grant date and 25% vesting on each of the three anniversary dates thereafter. The options repriced on June 24, 1998 had an additional three month period prior to any vesting. The Company granted options to purchase an aggregate of 1,036,125 shares of Stock to employees in fiscal 1998. This amount includes grants on 442,250 shares that were canceled as well as the repriced options granted upon such cancellation.

(4) As noted in the Report of the Compensation and Stock Option Committees, the Stock Option Committee authorized the cancellation of these options on June 24, 1998 and their reissuance at a price of $14.0625.

(5) No stock appreciation rights (SARs) were granted in the fiscal year covered by this table.

(6) Options shown for Daniel S. Jaffee and Richard V. Hardin are on shares of Class B Stock.

OPTION FISCAL YEAR END VALUE TABLE

	NUMBER OF UNEXERCISED OPTIONS AT FY-END		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT FY-END($)(2)	
NAME(1)	EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
Richard M. Jaffee	13,500	9,000(3)	$ 0	$ 0
	5,000	22,500(4)(5)	0	0
Daniel S. Jaffee	30,062	9,000(3)	0	0
	10,000	177,500(4)(5)	0	0
Michael L. Goldberg	3,000	47,000(4)(5)	375	1,125
Steven M. Levy	3,000	2,000(3)	0	0
	2,500	67,500(4)(5)	0	0
Richard V. Hardin	3,070	1,000(3)	0	0
	0	4,500(4)(5)	0	0
Norman B. Gershon	1,570	0(3)	0	0
	1,000	4,500(4)(5)	0	0

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(1) No stock appreciation rights (SARs) were exercised in the fiscal year covered by this table or outstanding at July 31, 1998.

(2) The closing price of a share of Common Stock on July 31, 1998 was $13.75.

(3) Options to purchase shares of Common Stock of the Company.

(4) Options to purchase shares of Stock as defined by the terms of the 1995 Long Term Incentive Plan; see Note(1) under the preceding table "1998 Option Grants". Of Daniel S. Jaffee's 177,500 unexercisable options, 132,500 relate to Class B Stock. Of Mr. Hardin's 4,500 unexercisable options, 1,125 relate to Class B Stock.

(5) On September 18, 1998, the Stock Option Committee of the Company authorized the repricing at the market price of $11.25 of all options previously issued under the 1995 Long Term Incentive Plan. All the Named Officers presented in this table elected to reprice and begin a new five year vesting period. Such repriced options issued to Messrs. Richard M. Jaffee, Daniel S. Jaffee and Richard V. Hardin all relate to Class B Stock.

TEN YEAR OPTION REPRICING TABLE (1)(4)

NAME	DATE OF REPRICING	NUMBER OF SECURITIES UNDERLYING OPTIONS REPRICED OR AMENDED (#)(2)	MARKET PRICE OF STOCK AT TIME OF REPRICING OR AMENDMENT($)	EXERCISE PRICE AT TIME OF REPRICING OR AMENDMENT($)	NEW EXERCISE PRICE($)	LENGTH OF ORIGINAL OPTION TERM REMAINING AT DATE OF REPRICING OR AMENDMENT
Daniel S. Jaffee............	8/16/94	5,000	$19.0000	$22.3750	$19.0000	102 months
President and Chief	8/16/94	15,000	19.0000	22.7500	19.0000	79 months
Executive Officer	6/24/98	100,000(1)(3)	14.0625	15.9375	14.0625	118 months
Michael L. Goldberg......... Executive Vice President, Chief Financial Officer and Corporate Secretary	6/24/98	24,500(1)(3)	14.0625	15.9375	14.0625	118 months
Steven M. Levy.............. Vice President, Consumer Products Division	6/24/98	38,750(1)(3)	14.0625	15.9375	14.0625	118 months
Herbert V. Pomerantz(5)..... Senior Vice President, Agricultural & Specialty Products	8/16/94	5,000	19.0000	22.3750	19.0000	102 months

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(1) See "Report of the Compensation Committee and the Stock Option Committee of Oil-Dri Corporation of America on Executive Compensation -- 1995 Long Term Incentive Plan".

(2) Repriced options were granted on a one for one basis.

(3) See Note 5, "Option Fiscal Year End Value Table" and Note 3, "1998 Option Grants".

(4) The Company has never issued stock appreciation rights (SARs).

(5) Mr. Pomerantz resigned October 9, 1995.

PENSION PLANS

The Company's pension plan covering salaried employees is a non-contributory, qualified, defined benefit plan. The plan provides for pensions based on credited years of service and cash compensation (excluding compensation paid under the Company's Incentive Bonus Plan) during the highest paid consecutive five years during the last ten years of employment. The following table presents estimated annual retirement benefits payable upon normal retirement at age 65 and is computed on the basis of a 5-year certain and life annuity. The benefits listed are not subject to a deduction for social security or other offset amounts.

HIGHEST CONSECUTIVE 5-YEAR AVERAGE COMPENSATION	ESTIMATED ANNUAL BENEFITS AT YEARS OF SERVICE INDICATED					
	15 YRS	20 YRS	25 YRS	30 YRS	35 YRS	40 YRS
$125,000...................	$18,100	$24,100	$30,100	$36,100	$36,100	$ 39,200
150,000...................	22,200	29,600	37,000	44,400	44,400	48,900
175,000...................	26,300	35,100	43,900	52,600	52,600	58,700
200,000...................	30,400	40,600	50,700	60,900	60,900	68,400
225,000...................	34,600	46,100	57,600	69,100	69,100	78,200
250,000...................	38,700	51,600	64,500	77,400	77,400	87,900
300,000...................	46,900	62,600	78,200	93,900	93,900	107,400

The individuals named in the Summary Compensation Table are participants in the Company's pension plan and had compensation as defined in the pension plan for the fiscal year ended July 31, 1998 and number of years of service as of August 1, 1998 under the pension plan as follows: Richard M. Jaffee, $160,000, 40 years; Norman B. Gershon, $160,000, 28 years; Daniel S. Jaffee, $160,000, 10 years; Michael L. Goldberg, $160,000, 2 years; Steven M. Levy, $148,542, 2 years; Richard V. Hardin, $126,791, 16 years. Messrs. Richard Jaffee, Norman B. Gershon, Daniel S. Jaffee, and Michael L. Goldberg are currently limited to $160,000 because of applicable Internal Revenue Code Limitations. The limitation of $160,000 for cash compensation became effective for the Company's pension plan on August 1, 1994. Benefits already accrued as of this date for Richard M. Jaffee and Norman B. Gershon are not reduced by the change. The Company does not have a supplemental executive retirement program.

REMUNERATION OF DIRECTORS

Each director of the Company who is not also an officer of the Company receives an annual retainer of $8,000 and also receives a fee of $2,000 for each meeting attended.

Under the Oil-Dri Corporation of America Deferred Compensation Plan, the Company's directors were entitled to defer all or a portion of their director compensation at an interest rate equal to the Company's long term cost of borrowing from time to time. During the fiscal year ended July 31, 1998, Messrs. Robert D. Jaffee, Haydn H. Murray and Edgar D. Jannotta deferred director compensation under this plan.

In addition to their director remuneration, during the fiscal year ended July 31, 1998, Mr. Robert D. Jaffee, Mr. Haydn H. Murray, and Mr. Ronald B. Gordon were paid $30,000, $20,500 and $6,153 respectively for consulting services.

On June 9, 1998 the Board of Directors approved the Oil-Dri Corporation of America Outside Director Stock Plan. On that date, Messrs. Paul J. Miller, Donald, Selig, Cole, Murray, Jannotta and Gordon were each awarded an option on 10,000 shares of Common Stock at the closing market price on that date of $14.625. One hundred and thirty thousand shares are reserved from Treasury shares for future grants under the Plan.

REPORT OF THE COMPENSATION COMMITTEE AND THE STOCK OPTION COMMITTEE OF OIL-DRI CORPORATION OF AMERICA ON EXECUTIVE COMPENSATION

COMPENSATION POLICY

Oil-Dri's compensation policy is to provide its executive officers and other salaried employees with compensation opportunities competitive with comparable size companies, reflecting annual incentive opportunities commensurate with Company performance and level of responsibility, while allowing for recognition of divisional and individual performance. In determining the marketplace, Oil-Dri refers to salary surveys prepared and published by several large consulting firms. The companies represented in the surveys, which participate on a voluntary basis, are not the same group as that included in the Peer Group on the Performance Graph. On occasion the Company also uses the services of outside consultants. Using these sources, the Company sets its compensation policy to reflect the median of the marketplace. Further aligning compensation with overall Company performance, Oil-Dri makes periodic awards of stock options and restricted stock to key management officers and employees. This policy, the components of compensation which implement it, and its administration, continued in fiscal 1998 with adjustments made to link annual bonus not solely to corporate performance in meeting overall Company objectives, but also more directly to divisional and individual performance in meeting prescribed divisional and individual objectives. These adjustments provide greater incentive to achieve goals by permitting each participant to better evaluate the impact of his or her efforts on bonus amount while permitting management to improve accountability for meeting prescribed goals.

At present compensation levels, and given the performance based nature of the Company's Stock Option Plan, limitations on federal income tax deductibility of a top officer's compensation in excess of $1,000,000 have no impact. In general, the Company favors the preservation of tax deductibility, but reserves the right to reconsider this position.

COMPENSATION COMPONENTS

Cash compensation for non-sales employees has two components, base salary and annual incentive bonus. (Sales employees generally have a third component -- bonus related to sales objective). For divisional employees, the largest percentage of incentive bonus is based on divisional performance against divisional objectives, the next largest on overall corporate performance against corporate objectives, and the remainder on individual achievement of pre-agreed individual objectives. For non-divisional employees (including four of the executive officers) bonus is tied predominately to overall corporate performance against corporate targets, the remainder tied to individual achievement of pre-agreed individual objectives. The Company has a number of salary grades reflecting differing levels of responsibility. For each salary grade, a minimum and maximum salary range is established based on a survey of comparable-sized companies. Incentive compensation is a target bonus equal to a percentage of the individual's annual base salary. This percentage is determined by the salary grade which reflects the level of responsibility and expected contribution of the position to the Company's financial results. For the individual's target to be fully achieved, Oil-Dri must meet projected overall corporate financial goals which are reviewed by the Compensation Committee and the individual's divisional and individual target goals must be met ("Plan"). Minimum and maximum payouts are set in relation to the achievement of these combined financial thresholds. In the fiscal year ended July 31, 1998, the Company fell slightly short of its financial goals under the Plan and, as a result, an aggregate of approximately $1,505,000 in bonus was paid.

The annual incentive plan is designed to require communication to employees of expectations for Company performance and for potential individual rewards. As adjusted for 1998, it provided significant rewards to divisional employees upon achievement of divisional sales and pretax earnings goals which affected Oil-Dri's overall performance, to non-divisional employees (including four executive officers) based upon achievement of overall corporate sales and pretax earnings performance, and to all employees at higher responsibility levels (including all executive officers) upon achievement of pre-agreed individual goals. The fiscal 1998 Incentive Bonus program provided that no bonus is payable (other than the component related to individual goals) unless a minimum Company performance threshold is achieved. As adjusted, this Plan better links Company performance and total annual pay. It provides for broad based participation, so that each salaried employee recognizes that he or she can contribute to the Company's success.

ADMINISTRATION OF THE COMPENSATION PROGRAM

During the year there is a review of employee performance and progress. At least once a year employee performance is documented and plans for employee development are discussed. At that review the employee's salary is reviewed and, based on the position of the salary within the salary range and the performance of the individual, a base salary change may, but will not necessarily, be recommended. On the basis of that review, any adjustment to reflect the employee's performance in incentive bonus is also determined.

The Compensation Committee reviews and generally oversees the Company's compensation program. The Company reviews with the Compensation Committee the prior year's salary results for the various base salary ranges and incentive bonus targets, and reviews the base salary ranges and the target bonus percentages for the coming year. In reviewing target bonus percentages for the coming fiscal year, the Company presents its earnings expectations for that year. For the fiscal year ending July 31, 1998 (and for the fiscal year to end July 31, 1999), the Company recommended and the Compensation Committee approved adoption of a corporate pre-tax earnings target, after giving effect to bonus payments, and a corporate sales target, with no bonus payable with respect to the earnings target unless a minimum of 80% of Plan (90% for fiscal 1999) is achieved and no bonus payable with respect to the sales target unless a minimum of 90% of Plan is achieved. No individual bonus of more than 200% of individual target bonus can be paid. Company recommendations for stock option grants and restricted stock grants to be made from time to time are reviewed with, and approved by, the Company's Stock Option Committee.

1995 LONG TERM INCENTIVE PLAN

At its meeting on September 19, 1997, the Stock Option Committee reviewed management's proposal for fiscal 1998 grants of stock options under the 1995 Long Term Incentive Plan ('95 Plan) and reviewed grants of restricted stock under the '95 Plan. It noted the small number of shares that would be available for future grants under the '95 Plan after those grants. It also reviewed a proposal, presented to, and approved by, the Board at its October 14, 1997 meeting, to amend the Company's Certificate of Incorporation to permit the use of Class B Stock in grants of stock options and other stock awards to members of the Jaffee Family who are employees, officers or directors of the Company or any of its 50% owned subsidiaries and an amendment to the '95 Plan to permit such grants to Jaffee Family members who are employees or officers. The Stock Option Committee authorized the fiscal 1998 stock option grants substantially as proposed by management and concluded, and recommended to the Board, that an additional 500,000 shares of stock should be authorized for use under the '95 Plan so that the Company could continue to attract and retain key employees. With respect to the proposed amendment to the '95 Plan to authorize the use of Class B Shares, it received the report of an independent consultant which concluded that the total cash compensation of each of Richard M. Jaffee, Chairman, Richard Hardin, Group Vice President, Technology; Thomas Cofsky, Vice President, Logistics, Quality Service; and Karen Jaffee Cofsky, Director, Human Resources was competitive and reasonable and that the total cash compensation of Daniel S. Jaffee, President, Chief Executive Officer should be increased. (The report did not include Heidi Jaffee and Susan Jaffee Hardin, part-time employees of the Company.) It concluded that the grant of Class B Stock options or awards to members of the Jaffee Family would be a greater incentive to them to increase shareholder value over the long term than would options, grants, or awards in shares of Common Stock and recommended to the Board that it amend the '95 Plan to permit this use of Class B Stock subject to shareholder approval of the proposed amendment to the Certificate of Incorporation and of such amendment to the '95 Plan. Subject to such Board and shareholder approval, it made the fiscal 1998 stock option grants to Jaffee Family members in shares of Class B Stock. On December 9, 1997 the Company's shareholders approved the amendment to the Certificate of Incorporation and to the '95 Plan and, during fiscal 1998, additional stock option grants were made under the '95 Plan by the Stock Option Committee. During fiscal 1998, the Stock Option Committee repriced (by cancellation of old options and issuance of new ones) some of the options outstanding under the '95 Plan. In fiscal 1999 (September), using the same method, the Stock Option Committee repriced all of the options outstanding under the '95 Plan, and, in doing so, provided that the new options issued to Jaffee Family members are options on Class B Shares. The Stock Option Committee determined that this repricing, which provides for first vesting of new options two years from grant, would be effective to retain what it regards as a successful management team and keep that management team focused on efforts to continue to improve the Company's operating results.

The Compensation Committee reviewed and set fiscal 1998 compensation of Mr. Daniel S. Jaffee as the Chief Executive Officer of the Company, a position he assumed, in addition to his position as President, at the beginning of fiscal 1998. Reflecting that promotion, and on the basis of his performance and achievements as Chief Operating Officer and the significant impact of that performance on fiscal 1997 results, the Committee set Mr. Daniel S. Jaffee's fiscal 1998 base salary at $225,000, noting that, in keeping with his belief in tailoring reward to performance, he would participate in Oil-Dri's Incentive Bonus program. In doing so, it also considered the conclusion of the report of the independent consultant referred to above, that, as Chief Executive Officer, the total cash compensation of Daniel S. Jaffee should be increased. At its September 18, 1998 meeting, the Compensation Committee reviewed and set fiscal 1999 compensation for Mr. Daniel S. Jaffee at a base salary of $245,000, an increase of $20,000, with continued participation in the Incentive Bonus plan. In doing so, it considered his performance and achievements as President and Chief Executive Officer during fiscal 1998, including his leadership in: divesting Oil Dri Transportation Company, the Company's transportation division; acquiring the Mounds Plant and related business of Amcol International; intensifying the Company's efforts to market new products such as pet treats, and to develop and market paper litter products; and achieving good earnings results in relation to targets despite the impact of the Asian Crisis on the Company's business in Malaysia and the loss of a substantial portion of the business of a major customer.

In setting the compensation of Mr. Richard M. Jaffee, Chairman of the Board, for the fiscal year ended July 31, 1998, the Compensation Committee reviewed the Company's strategic and financial goals, Mr. Jaffee's personal performance during the fiscal 1997 year as Chairman and Chief Executive Officer, the Company's performance, and the strong correlation that exists between the Company's performance during that fiscal year and the Chairman's efforts. The Committee determined that Mr. Jaffee's base salary as Chairman for fiscal 1998 should remain at $300,000. He did not participate in the Incentive Bonus program during fiscal 1998. In setting the Chairman's compensation for fiscal 1999 at a base salary of $275,000, the Compensation Committee considered the same factors in relation to the Chairman's fiscal 1998 performance. It also considered the Chairman's request that, in light of the increased responsibilities which had been assumed by the President and Chief Executive Officer, his base salary should be reduced and he should continue to not participate in the Incentive Bonus program. Finally, the Committee considered the Chairman's request that his existing 1989 employment agreement which expires on July 31, 1999 should be renewed for an additional 10-year period, with the elimination of the provision for a lump sum payment on death. The Committee approved the request and recommended its approval by the Board.

COMPENSATION COMMITTEE AND
STOCK OPTION COMMITTEE
J. Steven Cole, Chairman, Compensation Committee
Allan H. Selig, Chairman, Stock Option Committee
Ronald B. Gordon
Paul J. Miller*

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* Mr. Miller is an alternate member of the Stock Option Committee serving on that committee only in the absence of one of the other members.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Mr. Miller, a Director of the Company and a member of the Compensation and Stock Option Committees, is a partner of Sonnenschein Nath & Rosenthal, general counsel to the Company. Mr. Miller does not participate in Committee actions involving employees subject to Section 16(b) of the Securities Exchange Act of 1934.

PERFORMANCE GRAPH

Set forth below is a line graph comparing the yearly cumulative total shareholders' return on the Company's Common Stock against the yearly cumulative total return of the Russell 2000 and the Russell 2000 Materials and Processing Economic Sector Index (Peer Group). The graph assumes that the value of the investment in the Company's Common Stock, the Russell 2000 Index and the Russell 2000 Materials and Processing Economic Sector Index was $100 on July 31, 1993 and that all dividends were reinvested.

FIVE YEAR CUMULATIVE TOTAL RETURNS
OIL-DRI CORPORATION OF AMERICA

	1993	1994	1995	1996	1997	1998
ODC	100.00	77.24	67.68	63.57	80.05	63.84
RUSSELL 2000	100.00	104.68	130.77	139.81	186.49	190.80
PEER GROUP	100.00	107.82	123.80	126.74	163.43	154.18

OTHER INFORMATION

INDEPENDENT PUBLIC ACCOUNTANTS

The Company has selected Blackman Kallick Bartelstein as its independent public accountants for the current fiscal year. Blackman Kallick Bartelstein served in such capacity for the fiscal year ended July 31, 1998. Representatives of Blackman Kallick Bartelstein will be present at the Annual Meeting with an opportunity to make a statement if they so desire and to answer questions that any stockholder may have.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The Jaffee Investment Partnership, L.P. formed by members of the Jaffee family in connection with their estate planning, could be deemed to be the beneficial owner of 10% of the Company's outstanding common stock; its Form 3 reporting such 10% stockholder status was not filed and its Form 5 (in lieu of such Form 3), reporting such failure to file and such status, was filed late.

One Form 4 of Dr. Murray, a director of the Company, reporting a single transaction, was filed one month late.

ANNUAL REPORT ON FORM 10-K

This Proxy Statement does not include information regarding executive officers called for by Item 401(b) of Regulation S-K because such information was furnished in the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 1998, and such information is incorporated herein by reference thereto. The Company's Annual Report on Form 10-K was filed with the Securities and Exchange Commission on October 20, 1998. EACH STOCKHOLDER MAY OBTAIN A COPY OF THE COMPANY'S 1998 ANNUAL REPORT TO THE SECURITIES AND EXCHANGE COMMISSION ON FORM 10-K FROM THE COMPANY AT NO CHARGE BY WRITTEN REQUEST TO THE OFFICE OF STOCKHOLDER RELATIONS, OIL-DRI CORPORATION OF AMERICA, 410 NORTH MICHIGAN AVENUE, SUITE 400, CHICAGO, ILLINOIS 60611.

STOCKHOLDER PROPOSALS

Stockholder proposals for inclusion in proxy material for the 1999 Annual Meeting of Stockholders should be addressed to the Office of Stockholder Relations, Oil-Dri Corporation of America, 410 North Michigan Avenue, Suite 400, Chicago, Illinois 60611, and must be received by July 5, 1999. In the case of other stockholder proposals not included in the Company's proxy material, the Company may generally exercise discretionary voting authority, conferred by proxies, at its 1999 Annual Meeting with respect to any such proposal that is not timely submitted (i.e., of which the Company did not have notice by September 18, 1999).

2. OTHER MATTERS

At this time, the Board of Directors is not aware of any matters not referred to herein which might be presented for action at the meeting. However, if any other business should come before the meeting, votes may be cast in respect to such matters in accordance with the best judgment of the person or persons acting under the proxies.

By Order of the Board of Directors

/s/ RICHARD M. JAFFEE
RICHARD M. JAFFEE
Chairman of the Board

Chicago, Illinois
November 2, 1998

OIL-DRI CORPORATION OF AMERICA
410 NORTH MICHIGAN AVENUE, CHICAGO, ILLINOIS 60611

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Richard M. Jaffee, Daniel S. Jaffee and Michael L. Goldberg as Proxies, each with the power to appoint his substitute (the action of one, if only one be present and acting, to be in any event controlling), and hereby authorizes them to represent and to vote, as designated below, all of the shares of Common Stock and Class B Stock of Oil-Dri Corporation of America held of record by the undersigned at the close of business on October 23, 1998 at the annual meeting of stockholders to be held on December 8, 1998 or any adjournment thereof.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED STOCKHOLDER, EXCEPT AS OTHERWISE DIRECTED, THIS PROXY WILL BE VOTED <u>FOR</u> PROPOSAL 1.

PLEASE MARK, SIGN, DATE AND MAIL THE PROXY CARD PROMPTLY
USING THE ENCLOSED ENVELOPE.

(Continued and to be signed on reverse side.)

CORPORATION OF AMERICA

PLEASE MARK VOTE IN OVAL IN THE FOLLOWING MANNER USING DARK INK ONLY. [ ]

1. ELECTION OF DIRECTORS -
   Nominees: J. Steven Cole, Arnold W. Donald, Ronald B. Gordon, Daniel S. Jaffee, Richard M. Jaffee, Edgar D. Jannotta, Joseph C. Miller, Paul J. Miller, Haydn H. Murray, Allan H. Sellg.

FOR ALL	WITHHOLD ALL	FOR ALL (Except Nominee(s) written below)
[ ]	[ ]	[ ] ________________________________

2. In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.

Please check box if you are planning to attend the meeting. [ ]

Dated:__________________________,1998

Signature(s):__________________________

____

Please sign exactly as name appears on this side of the proxy. When shares are held by joint tenants, both should sign. When signing as attorney, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporation name by President or other authorized officer. If a partnership, please sign in partnership name by an authorized person.

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* FOLD AND DETACH HERE *

YOUR VOTE IS IMPORTANT!

PLEASE MARK, SIGN, DATE AND MAIL THE PROXY CARD PROMPTLY
USING THE ENCLOSED ENVELOPE.