SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED JULY 31, 1999 COMMISSION FILE NO. 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 CHICAGO, ILLINOIS	60611
(Address of principal executive offices)	(Zip Code)

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

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

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, par value $.10 per share	New York Stock Exchange

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

NONE
(Title of Class)

Number of Shares of each class of the Registrant's Common Stock outstanding as of September 30, 1999:

Common Stock -- 5,470,252 shares (including 1,173,470 treasury shares)
Class B Stock -- 1,765,266 shares (including 342,241 treasury shares)
Class A Common Stock -- 0 shares

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes X No

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

Aggregate market value of the Registrant's Common Stock owned by non-affiliates -- $60,270,139 (based on the closing price on September 30, 1999).

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated herein by reference:

1. The Registrant's Proxy Statement for its 1999 Annual Meeting of Stockholders ("Proxy Statement"), which will be filed with the Securities and Exchange Commission not later than November 28, 1999 (120 days after the end of the Registrant's fiscal year ended July 31, 1999), is incorporated into Part III of this Annual Report on Form 10-K, as indicated herein.

CONTENTS

PART I

ITEM 1. BUSINESS

Oil-Dri Corporation of America was incorporated in 1969 in Delaware as the successor to an Illinois corporation incorporated in 1946 which was the successor to a partnership which commenced business in 1941. Except as otherwise indicated herein or as the context otherwise requires, references herein to "Registrant" or to "Company" are to Oil-Dri Corporation of America and its subsidiaries. The Registrant is a leader in developing, manufacturing and marketing sorbent products and related services for the consumer, fluids purification, agricultural, and industrial and automotive markets. The Registrant's products are principally produced from clay minerals and, to a lesser extent, other sorbent materials. Consumer products, consisting primarily of cat litter, are sold through the grocery products industry, mass merchandisers, warehouse clubs, and pet specialty retail outlets. Fluids purification products, consisting primarily of bleaching, filtration and clarification clays, are sold to processors and refiners of edible and petroleum-based oils. Agricultural products, which include carriers for crop protection chemicals and fertilizers, drying agents, soil conditioners, pellet binders for animal feeds and flowability aids, are sold to manufacturers of agricultural chemicals and distributors of other agricultural products. Industrial and automotive products, consisting primarily of oil, grease and water sorbents (both clay and non-clay), are sold to distributors of industrial cleanup and automotive products, environmental service companies, and retail outlets.

The Registrant's sorbent technologies include absorbent and adsorbent products. Absorbents, like sponges, draw liquids up into their many pores. Examples of the Registrant's absorbent products are CAT'S PRIDE(R) Premium cat litter and other cat litters, OIL-DRI ALL PURPOSE(R) clay floor absorbent and AGSORB(R) granular agricultural chemical carriers.

Adsorbent products attract liquids, impurities, metals and surfactants to themselves and form low level chemical bonds. The Registrant's adsorbents are used for cleanup and filtration mediums. The Registrant's adsorbent products include OIL-DRI LITE(R) sorbents for industrial cleanup, PURE-FLO(R), PURE-FLO(R) Supreme, PERFORM(TM) and SELECT(TM) bleaching clays for edible oils, fats and tallows, and ULTRA-CLEAR(R) clarification aids for petroleum-based oils and by-products.

The Registrant has pursued a strategy of developing value-added and branded products for consumer, fluids purification, agricultural and industrial and automotive uses, where the Registrant's marketing and research and development capabilities can play important roles. The Registrant's products are sold through its specialized divisional sales staffs supported by technical service representatives and through a network of industrial distributors and food brokers. The Registrant maintains its own research and development facility and staff.

Certain financial information on segments is contained in Note 4 of the "Notes to Consolidated Financial Statements," incorporated herein by reference. Information concerning total revenue of classes of similar products accounting for more than 10% of consolidated revenues in any of the last three fiscal years is not separately provided because it is the same as the information on net sales of segments furnished in Note 4 of the "Notes to Consolidated Financial Statements."

Certain financial information about the Registrant's foreign and domestic operations is contained in Note 5 of the "Notes to Consolidated Financial Statements," incorporated herein by reference.

Consumer Products

The Registrant's cat litter products, in both coarse granular and fine granular clumping (scoopable) forms, are sold under the Registrant's CAT'S PRIDE(R) and LASTING PRIDE(TM) brand names, FRESH STEP(R) brand manufactured for The Clorox Company and private label cat litters manufactured for mass merchandisers, wholesale clubs, drug chains, pet superstores and retail grocery stores. Alternative litters, made from recycled paper, are sold under the DUST STOPPER(TM)(coarse) and SCOOP 'N FLUSH(TM) (scoopable) brands and are marketed through similar channels. The Registrant also packages and markets CAT'S PRIDE(R) KAT KIT(TM) cat litter in a disposable tray. These products are sold through independent food brokers and the Registrant's representatives to major grocery outlets such as Publix, Kroger, Stop and Shop, and others. LASTING PRIDE(TM) cat litter is principally sold to mass merchandisers such as Wal-Mart and K-Mart.

The Registrant and The Clorox Company have long-term arrangements under which they developed FRESH STEP(R) premium-priced cat litter products. FRESH STEP(R) brand, which is owned, trademarked and marketed by The Clorox Company, utilizes the Registrant's special low density, highly absorbent clay mineral. FRESH STEP(R) cat litter contains microencapsulated odor controllers which are activated by the cat. The Registrant has a long-term exclusive right to supply The Clorox Company's requirements for FRESH STEP(R) coarse cat litter up to certain levels. According to independently published supermarket industry reports, FRESH STEP(R) coarse cat litter was the largest dollar grossing branded cat litter sold through grocery chains in the United States in the 52-week period ended August 8, 1999.

Traditional coarse granular clay litters once represented approximately 98% of the market. Beginning in 1990, the cat litter market changed and traditional coarse litters are now complemented by new, fine granule clumping (scoopable) products. These clumping products have the characteristic of binding together and expanding when moisture is introduced. The Registrant's clumping cat litter is based on naturally occurring organic ingredients which are biodegradable. On an industry-wide basis, clumping cat litters have assumed market shares in excess of 52% of retail dollar sales volume in the grocery industry and 63% of retail dollar sales volume in the mass merchandiser industry in the 52-week period ended August 8, 1999, compared with 49% and 61%, respectively, in a similar period last year.

Fluids Purification Products Group

Fluids purification products include PURE-FLO(R) and PURE-FLO(R) Supreme bleaching clays and ULTRA-CLEAR(R) clarification aids. These products are supported by a team of technical sales and support representatives employed by the Company and the services of the Registrant's research and development group. The products are marketed in the United States and international markets.

PURE-FLO(R) bleaching clays, used in the bleaching of edible oils, remove impurities and color bodies from these oils. The primary customers for these products are refiners of food oils. ULTRA-CLEAR(R) clarification aids are used as filtration and purification mediums for jet fuel and other petroleum-based oils. These products adsorb unwanted moisture and other impurities, and are primarily sold to oil refiners.

The Registrant also produces PERFORM(TM) and SELECT(TM) bleaching clays, which offer performance advances to refiners. The PERFORM(TM) products are the next generation of bleaching clays, providing increased activity for hard-to-bleach oils. The SELECT(TM) line of products is used earlier in the process stream to remove a variety of impurities from edible oils. SELECT(TM) can also be used to replace the water wash step in the caustic refining of edible oils.

Agricultural Products Group

The Registrant produces and markets a wide range of granular and powdered mineral absorbent products that are used with crop protection chemicals, animal feed, fertilizers and other horticultural applications. Products include AGSORB(R) agricultural chemical carriers and drying agents; FLO-FRE(R), a highly absorbent microgranule flowability aid; PEL-UNITE(R) and CONDITIONADE(TM) pelleting aids used in the manufacture of animal feeds, and TERRA GREEN(R) soil conditioner.

The AGSORB(R) carriers are used as mediums of distribution for crop protection chemicals, including herbicides, fungicides, insecticides, and fertilizers. AGSORB(R) customized carriers are designed to reduce dust and to increase accuracy of application. The Registrant's AGSORB(R) drying agent is used to prevent clogging in specialized farm machinery and enables farmers to evenly apply granular fertilizers and liquid pesticides to their fields in one application. The Registrant has also developed the AGSORB(R) product as a blending agent for fertilizers and chemicals used in the lawn and garden market.

Agricultural products are marketed in the United States by technical salesmen employed by the Company who sell to crop protection chemical manufacturers, feed producers and agricultural product distributors. The Registrant's principal customers for these products include the agricultural groups of Monsanto, DowElanco and Zeneca.

Industrial and Automotive Products

Products for industrial applications include the Registrant's oil, grease, and water sorbents, which are cost effective floor maintenance products that provide a nonslip and nonflammable surface for workers. These products are sold through a wide range of distribution channels and have achieved a high level of brand name recognition. The Registrant distributes clay-based sorbents sold in granular form and in other configurations such as pillows and socks. The Registrant also distributes non-clay sorbents including its OIL-DRI(R) Industrial Pad and OIL-DRI(R) Industrial Rug, which are made of needle-punched polypropylene.

The Registrant sells its industrial products through a distributor network that includes industrial, auto parts, safety, sanitary supply, chemical and paper distributors and environmental service companies. The Registrant supports the efforts of the industrial distributors with specialized divisional sales personnel.

The Registrant also produces for the consumer market OIL-DRI(R) Automotive, a floor absorbent for home and garage use. This product is sold through automobile parts distributors and mass merchandisers.

Transportation Services

In the second quarter of fiscal 1998, the Registrant exited the transportation business and formed a strategic alliance with CRST International, Inc., who since that time has serviced the majority of the Registrant's over-the-road shipping requirements.

Patents

The Registrant has obtained or applied for patents for certain of its processes and products. These patents expire at various times, beginning in 1999. Patented processes and products are not material to the Registrant's overall business.

Foreign

SAULAR(R) cat litter manufactured and marketed by Favorite Products Company, Ltd. (d.b.a. Oil-Dri Canada), the Registrant's wholly owned Canadian subsidiary, is a leading cat litter brand sold in Canada. Favorite Products Company, Ltd. also packages and markets the SAULAR(R) KAT-KIT(TM) disposable cat litter tray and litter. Certain of the products sold in Canada are blends of clay and synthetic sorbent materials.

The Registrant's wholly owned subsidiary in England, Oil-Dri, U.K., Ltd., packages clay granules produced by the Registrant's domestic manufacturing facilities and, for certain applications, blends a synthetic sorbent material which it manufactures locally. Oil-Dri, U.K., Ltd. markets these products, primarily in the United Kingdom, as an oil and grease absorbent and as a cat litter.

The Registrant's wholly owned subsidiary in Switzerland, Oil-Dri S.A., performs various management, sales and administrative functions for the Registrant and its foreign subsidiaries.

The Company's foreign operations are subject to the normal risks of doing business overseas, such as currency devaluations and fluctuations, restrictions on the transfer of funds and import/export duties. The Registrant to date has not been materially affected by these risks.

Backlog; Seasonality

At July 31, 1999 and 1998, the Registrant's backlog of orders was approximately $2,534,000 and $2,635,000, respectively. The Registrant does not consider its clay sorbent business, taken as a whole, to be seasonal to any material extent. However, certain business activities of certain customers of the Registrant (such as agricultural) are subject to such factors as crop acreage planted and product formulation cycles.

Customers

Sales to Wal-Mart Stores, Inc. accounted for approximately 20% of the Registrant's net sales for the fiscal year ended July 31, 1999. Sales to The Clorox Company accounted for approximately 8% of the Registrant's net sales for the fiscal year ended July 31, 1999. The Clorox Company and the Registrant are parties to a long-term supply contract. The loss of any other of the Registrant's customers would not have a materially adverse effect on the Registrant.

Competition

The Registrant has approximately six principal competitors in the United States, some of which have substantially greater financial resources than the Company, which compete with the Registrant in certain markets and with respect to certain products. Price, service and technical support, product quality and delivery are the principal methods of competition in the Registrant's markets and competition has historically been very vigorous. The Registrant believes that it can compete favorably in all of its present markets.

Reserves

The Registrant mines sorbent materials, consisting of either montmorillonite, attapulgite or diatomaceous earth on leased or owned land near its mills in Mississippi, Georgia, Illinois and Oregon, and on leased and owned land in Florida (see "Item 2 -- Properties" below). The Registrant estimates that its proven recoverable reserves of these sorbent materials aggregate approximately 497,715,000 tons. Based on its rate of consumption during the 1999 fiscal year, the Registrant considers its proven recoverable reserves adequate to supply the Registrant's needs for over 40 years. It is the Registrant's policy to attempt to add to reserves in most years, but not necessarily in every year, an amount at least equal to the amount of reserves consumed in that year. The Registrant has a program of exploration for additional reserves and, although reserves have increased, the Registrant cannot assure that such reserves will continue to increase. The Registrant's use of these reserves will be subject to compliance with existing and future federal and state statutes and regulations regarding mining and environmental compliance. Also, requirements for environmental compliance may restrict exploration or use of lands that might otherwise be utilized as a source of reserves. During the fiscal year ended July 31, 1999, the Registrant utilized these reserves to produce substantially all of the sorbent minerals that it sold.

In 1997, the Registrant acquired mineral reserves on approximately 5,907 acres in Nevada. This acreage is in addition to approximately 598 acres acquired in 1991 in Washoe County, Nevada of which 415 acres are mineral in character. The Registrant estimates that there are over 300,000,000 tons of proven reserves of sorbent materials on the combined acreage. Mining these reserves requires the approval of federal, state and local agencies, which approvals the Registrant is in the process of seeking. In the future, the Registrant hopes to develop facilities so as to use these reserves as a source of supply for its West Coast customers. However, there can be no assurance that this will be accomplished.

In 1998, mineral reserves on approximately 778 acres in Tennessee and 755 acres in Illinois were acquired in conjunction with the purchase of Oil-Dri, Mounds Production Company.

Mining Operations

The Registrant has conducted mining operations in Ripley, Mississippi since 1963; in Ochlocknee, Georgia since 1971; in Christmas Valley, Oregon since 1979; in Blue Mountain, Mississippi since 1989; and in Mounds, Illinois since 1998.

The Registrant's raw materials are surface mined on a year-round basis, generally using large earth moving scrapers and bulldozers to remove overburden, and then loaded into dump trucks with backhoe or dragline equipment for movement to the processing facilities. The mining and hauling of the Registrant's clay is performed by the Registrant and by independent contractors.

The Registrant's current operating mines range in distance from immediately adjacent to several miles from its processing plants. Access to processing facilities from the mining areas is generally by private road, and in some instances public highways are utilized.

Each of the Registrant's processing facilities maintains stockpiles of unprocessed clay of approximately one to three weeks production requirements.

Proven reserves are those reserves for which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; grade and/or quality are computed from results of detailed sampling, and (b) the sites for inspection, sampling and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth and mineral content of reserves are well established. Probable reserves are computed from information similar to that used for proven reserves, but the sites for inspection, sampling, and measurement are farther apart or are otherwise less adequately spaced. The degree of assurance, although lower than that for proven reserves, is high enough to assume continuity between points of observation.

The Registrant employs a staff of geologists and mineral specialists who estimate and evaluate existing and potential reserves in terms of quality, quantity and availability.

The following schedule summarizes, for each of the Registrant's manufacturing facilities, the net book value of land and other plant and equipment:

	LAND	PLANT AND EQUIPMENT
	(IN THOUSANDS)	
Ochlocknee, Georgia	$2,622	$16,529
Ripley, Mississippi	$1,523	$13,130
Mounds, Illinois	$ 325	$ 8,698
Blue Mountain, Mississippi	$ 939	$ 8,477
Christmas Valley, Oregon	$ 98	$ 659

Employees

As of July 31, 1999, the Registrant employed 743 persons, 56 of whom were employed by the Registrant's foreign subsidiaries. The Registrant's corporate offices, research and development center and manufacturing facilities are adequately staffed and no material labor shortages are anticipated. Approximately 42 of the Registrant's employees in the U.S. and approximately 13 of the Registrant's employees in Canada are represented by labor unions, which have entered into separate collective bargaining agreements with the Company. Employee relations are considered satisfactory.

Environmental Compliance

The Registrant's mining and manufacturing operations and facilities in Georgia, Mississippi, Oregon and Illinois are required to comply with state surface mining statutes and various federal, state and local statutes, regulations and ordinances which govern the discharge of materials, water and waste into the environment and restrict mining on "wetlands" or otherwise regulate the Registrant's operations. In recent years, environmental regulation has grown increasingly stringent, a trend which the Registrant expects will continue. The Registrant endeavors to stay in substantial compliance with applicable environmental controls and regulations and to work with regulators to correct any deficiency. As a result, expenditures relating to environmental compliance have increased over the years; however, in recent years expenditures have not been material. The Registrant continues, and will continue, to incur costs in connection with reclaiming exhausted mining sites. The costs of reclamation have not had a material effect on its mining costs. These costs are treated as part of the Registrant's mining expense.

In addition to the environmental requirements relating to mining and manufacturing operations and facilities, there is increasing federal and state legislation and regulation with respect to the labeling, use, and disposal after use, of various of the Registrant's products. The Registrant endeavors to stay in substantial compliance with that legislation and regulation and to assist its customers in that compliance.

The Registrant cannot assure that, despite its best efforts, it will always be in compliance with environmental legislation and regulations or with requirements regarding the labeling, use, and disposal after use, of its products; nor can it assure that from time to time enforcement of such requirements will not have an adverse impact on its business.

Energy

The Registrant uses natural gas and recycled fuel oil as energy sources for the processing of its clay products. In prior years, the Registrant has switched from natural gas to fuel oil during the winter months due to the seasonal unavailability and higher cost of natural gas relative to fuel oil.

Research and Development

At the Registrant's research facility, the research and development staff develops new products and applications and improves existing products. The staff and various consultants consist of geologists, mineralogists and chemists. In the past several years, the Registrant's research efforts have resulted in a number of new sorbent products and processes including PURE-FLO(R)Supreme, PURE-FLO(R) B80, B81, PERFORM(TM) and SELECT(TM) absorbents, and CAT'S PRIDE(R) Scoopable, LASTING PRIDE(TM), DUST STOPPER(TM) and SCOOP 'N FLUSH(TM) cat litters. The technical center produces prototype samples and tests new products for customer trial and evaluation.

The Registrant spent approximately $2,110,000, $2,376,000 and $2,049,000 during its fiscal years ended July 31, 1999, 1998 and 1997, respectively, for research and development. None of such research and development was customer sponsored, and all research and development costs are expensed in the year in which incurred.

ITEM 2. PROPERTIES

The Registrant's properties are generally described below:

LAND HOLDINGS & MINERAL RESERVES

	LAND OWNED (ACRES)	LAND LEASED (ACRES)	TOTAL (ACRES)	PROVEN RESERVES (000S OF TONS)	PROBABLE RESERVES (000S OF TONS)	TOTAL (000S OF TONS)
Florida	537	446	983	4,512	1,092	5,604
Georgia	1,900	1,804	3,704	45,067	11,174	56,241
Illinois	161	598	759	8,661	6,000	14,661
Mississippi	2,354	1,431	3,785	128,261	118,678	246,939
Nevada	415	6,747	7,162	306,830	250,874	557,704
Oregon	400	260	660	134	323	457
Tennessee	778	--	778	4,250	4,250	8,500
	6,545	11,286	17,831	497,715	392,391	890,106

See "Item 1. Business -- Reserves"

There are no mortgages on the property owned by the Registrant. The Mississippi, Georgia, Oregon, Florida and Illinois land is used primarily for mining. Parcels of such land are also sites of manufacturing facilities operated by the Registrant. The Illinois land also includes the site of the Registrant's research and development facility. The Registrant owns approximately one acre of land in Laval, Quebec, Canada, which is the site of the processing and packaging facility for the Registrant's Canadian subsidiary.

The Registrant's mining operations are conducted on leased or owned land. The Georgia, Illinois, Florida and Mississippi mining leases, with expiration dates ranging from 2000 to 2053, no one of which is material, generally require that the Registrant pay a minimum monthly rental to continue the lease term. This rental payment is applied against a royalty related to the number of unprocessed, or in some cases processed, tons of mineral extracted from the leased property.

The Registrant operates manufacturing facilities at Ripley, Mississippi, Ochlocknee, Georgia, Christmas Valley, Oregon, Blue Mountain, Mississippi and Mounds, Illinois; production and packaging plants at Laval, Quebec, Canada and Wisbech, United Kingdom; a non-clay lite sorbents processing and warehousing facility in Alpharetta, Georgia; and a dog biscuit manufacturing plant in Kiel, Wisconsin. The Registrant's facilities at Ripley, Mississippi; Ochlocknee, Georgia; Christmas Valley, Oregon; Mounds, Illinois; Alpharetta, Georgia; Kiel, Wisconsin; Laval, Quebec, Canada and Wisbech, United Kingdom are wholly owned by the Registrant and the Registrant's facility at Blue Mountain, Mississippi is owned in part by the Registrant, with the balance leased as hereinafter described. The Registrant is a party to leases that relate to certain plant acquisition and expansion projects at the Registrant's facility at Blue Mountain, Mississippi. The Blue Mountain, Mississippi lease was entered into with the Town of Blue Mountain, Mississippi in 1988 in connection with the issuance by the Town of $7,500,000 in aggregate principal amount of industrial revenue bonds ($5,000,000 of which has been subsequently retired), full payment of which is guaranteed by the Registrant. Upon expiration of the leases in 2008, a subsidiary of the Registrant has the right to purchase the leased property for $100 upon full payment of the bonds. The land on which the manufacturing facility at Wisbech, United Kingdom is located is leased pursuant to a long-term lease arrangement with the Port Authority of Wisbech which expires in 2032. The facilities in Alpharetta, Georgia and Kiel, Wisconsin are leased.

All of the Registrant's domestic manufacturing facilities, whether owned or leased, consist of related steel frame, sheet steel covered or brick buildings of various heights, with concrete floors and storage tanks. The buildings occupy approximately 208,000 square feet at Ripley, Mississippi, 247,000 square feet at Ochlocknee, Georgia, 129,000 square feet at Mounds, Illinois, 18,000 square feet at Christmas Valley, Oregon, 26,000 square feet at Alpharetta, Georgia, 16,000 square feet at Kiel, Wisconsin and 140,000 square feet at Blue Mountain, Mississippi. The Registrant maintains railroad siding facilities near the Ripley, Mississippi, Ochlocknee, Georgia, Blue Mountain, Mississippi and Mounds, Illinois manufacturing facilities. Equipment at all facilities is in good condition, well maintained and adequate for current processing levels.

All of the Registrant's foreign facilities are owned and consist of related steel frame, sheet steel covered or brick buildings of various heights, with concrete floors and storage tanks. The buildings occupy 22,500 square feet at Laval, Quebec, Canada and 66,850 square feet at Wisbech, United Kingdom.

The Registrant's research and development facility is located on land in Vernon Hills, Illinois and consists of brick buildings of approximately 19,100 square feet, including a pilot plant facility.

The Registrant's principal office, consisting of approximately 20,000 square feet in Chicago, Illinois, is presently occupied under a lease expiring on June 30, 2008.

ITEM 3. LEGAL PROCEEDINGS

There are no material pending legal proceedings.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM 401(B) OF REGULATION S-K. EXECUTIVE OFFICERS OF THE REGISTRANT

The following table gives certain information with respect to the Executive Officers of the Registrant.

NAME(1)	PRINCIPAL OCCUPATION FOR LAST FIVE YEARS	AGE
Richard M. Jaffee	Chairman of the Board of the Registrant; President from 1960 to June 1995; Chief Executive Officer from 1962 until 1997.	63
Daniel S. Jaffee(2)	President and Chief Executive Officer of the Registrant; President and Chief Operating Officer from June 1995 until August 1997; Chief Executive Officer of Favorite Products Company, Ltd., a subsidiary of the Registrant since 1990; Chief Financial Officer of the Registrant from 1990 to 1995; Group Vice-President, Consumer Products of the Registrant from 1994 to 1995.	35
Joseph C. Miller	Vice-Chairman of The Board of the Registrant; Senior Vice President for Consumer, Industrial & Environmental and Transportation from 1993 to 1995.	57
Michael L. Goldberg	Executive Vice-President, Chief Financial Officer and Secretary of the Registrant; Vice-President & Chief Financial Officer from May 1996 until August 1997; Vice-President & Controller, Alberto-Culver USA, Inc. from August 1991 until April 1996.	49
Richard V. Hardin(3)	Group Vice-President, Technology, of the Registrant.	60
Daniel J. Jones	Vice-President of Favorite Products Co., Ltd, a subsidiary of the Registrant; Division III National Sales Manager -- Grocery of the Registrant from 1994 to 1996.	37
Eugene W. Kiesel	Vice-President & General Manager, Global Fluids Purification Group of the Registrant since October 1997; Vice-President of Radian International, LLC, a subsidiary of Dow Chemical Company from July 1996 to October 1997; General Manager of ACS, a division of Dow Chemical Company from November 1993 to July 1996.	42
Steven M. Levy	Vice-President & General Manager, Consumer Products Group of the Registrant; General Manager Consumer Products Division from 1995 to 1996; Miles, Inc. Director of Marketing, from 1992 to 1995.	39

The term of each executive officer expires at the 1999 Annual Meeting of the Stockholders and when his successor is elected and qualified.

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(1) Of the persons in this table, only Richard M. Jaffee, Joseph C. Miller and Daniel S. Jaffee are directors.

(2) Daniel S. Jaffee is Richard M. Jaffee's son.

(3) Richard V. Hardin is Richard M. Jaffee's son-in-law.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED SECURITY HOLDER MATTERS

Information concerning stock prices and dividends with regard to the Common Stock of the Registrant, which is traded on the New York Stock Exchange, and information concerning dividends with regard to the Class B Stock of the Registrant, for which there is no established public trading market, is contained in Note 15 of the "Notes to Consolidated Financial Statements," incorporated herein by reference. No shares of Class A common stock are outstanding. The Registrant's ability to pay dividends is limited by the Registrant's new Credit Agreement with Harris Trust and Savings Bank dated January 29, 1999. See Note 6 of "Notes to Consolidated Financial Statements," incorporated herein by reference. Information concerning a private placement of $25,000,000 in principal amount of notes in April 1998 is incorporated herein by reference to Note 6 of the "Notes to the Consolidated Financial Statements." The notes were sold in reliance on the exemption from registration under the Securities Act of 1933 contained in Section 4(2) thereof, based on the fact that they were privately sold in their entirety to two financial institutions.

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ITEM 6. SELECTED FINANCIAL DATA

TEN YEAR SUMMARY OF FINANCIAL DATA

	1999	1998	1997	1996
	(IN THOUSANDS EXCEPT FOR PER SHARE AMOUNTS)			
SUMMARY OF OPERATIONS				
Net Sales	$173,985	$160,252	$156,616	$153,787
Cost of Sales	119,126	110,096	108,687	107,730
Gross Profit	54,859	50,156	47,929	46,057
Selling, General and Administrative Expenses	43,108	38,598	37,260	39,153
Special Charges	--	3,129	--	921
Income from Operations	11,751	8,429	10,669	5,983
Other Income (Expense)				
Interest Income	480	491	637	587
Interest Expense	(3,185)	(2,049)	(1,775)	(1,917)
Foreign Exchange (Losses) Gains	(124)	(146)	--	(7)
Other, Net	1,114	(119)	(17)	137
Total Other Expense, Net	(1,715)	(1,823)	(1,155)	(1,200)
Income before Income Taxes	10,036	6,606	9,514	4,783
Income Taxes	2,860	1,883	2,721	1,409
Net Income	$ 7,176	$ 4,723	$ 6,793	$ 3,374
AVERAGE SHARES OUTSTANDING				
Basic	5,827	6,125	6,596	6,806
Dilutive	5,996	6,165	6,599	6,807
NET INCOME PER SHARE				
Basic	$ 1.23	$ 0.77	$ 1.03	$ 0.50
Dilutive	$ 1.20	$ 0.77	$ 1.03	$ 0.50
IMPORTANT HIGHLIGHTS				
Total Assets	$133,750	$134,215	$114,558	$117,693
Long-Term Debt	$ 38,150	$ 39,976	$ 17,052	$ 18,978
Working Capital	$ 37,141	$ 36,283	$ 31,165	$ 30,399
Working Capital Ratio	3.3	3.1	3.0	2.7
Book Value per Share	$ 13.00	$ 12.15	$ 12.03	$ 11.46
Dividends Declared	$ 1,904	$ 1,808	$ 1,936	$ 2,022
Capital Expenditures	$ 8,495	$ 6,496	$ 5,395	$ 7,184
Depreciation and Amortization	$ 8,497	$ 7,832	$ 7,587	$ 7,926
Operating Cash Flows, less Capital Expenditures	$ 1,165	$ 2,330	$ 8,349	$ 6,869
Long-Term Debt to Total Capital	33.9%	35.8%	18.1%	19.7%
Net Income as a Percent of Net Sales	4.1%	3.0%	4.3%	2.2%
Return on Average Stockholder's Equity	9.8%	6.3%	8.8%	4.3%
Gross Profit as a Percent of Net Sales	31.5%	31.3%	30.6%	29.9%
Operating Expenses as a Percent of Net Sales	24.8%	26.0%	23.8%	26.1%

YEAR ENDED JULY 31					
1995	1994	1993	1992	1991	1990
$152,899	$147,147	$140,866	$124,585	$106,054	$97,677
108,268	102,457	97,396	85,116	74,370	68,110
44,631	44,690	43,470	39,469	31,684	29,567
31,921	30,394	29,553	28,967	21,778	20,016
--	--	--	--	--	--
12,710	14,296	13,917	10,502	9,906	9,551
448	441	452	515	602	633
(1,921)	(1,752)	(1,729)	(1,884)	(1,363)	(1,156)
(5)	3	(88)	63	(23)	37
(84)	171	(298)	15	50	73
(1,562)	(1,137)	(1,663)	(1,291)	(734)	(413)
11,148	13,159	12,254	9,211	9,172	9,138
3,145	3,307	2,834	2,110	2,092	2,351
$ 8,003	$ 9,852	$ 9,420	$ 7,101	$ 7,080	$ 6,787
6,932	6,990	6,995	6,994	7,004	6,975
6,936	7,011	7,031	7,026	7,055	7,042
$ 1.15	$ 1.41	$ 1.35	$ 1.02	$ 1.01	$ 0.97
$ 1.15	$ 1.41	$ 1.34	$ 1.01	$ 1.00	$ 0.96
$116,988	$112,267	$102,117	$ 95,018	$ 89,394	$76,779
$ 20,422	$ 21,521	$ 17,766	$ 18,831	$ 20,176	$11,893
$ 33,074	$ 29,337	$ 26,043	$ 24,359	$ 24,763	$16,149
3.1	3.0	2.7	2.8	3.4	2.3
$ 11.35	$ 10.51	$ 9.50	$ 8.66	$ 7.93	$ 7.14
$ 2,047	$ 1,807	$ 1,679	$ 1,548	$ 1,422	$ 1,149
$ 7,032	$ 13,559	$ 9,158	$ 8,040	$ 10,416	$ 6,403
$ 7,808	$ 6,798	$ 5,835	$ 5,407	$ 4,831	$ 4,466
$ 5,285	$ (3,734)	$ 5,080	$ 645	$ (1,310)	$ 4,410
20.7%	22.8%	21.1%	24.0%	26.6%	19.2%
5.2%	6.7%	6.7%	5.7%	6.7%	6.9%
10.6%	14.1%	14.9%	12.3%	13.4%	14.5%
29.2%	30.4%	30.9%	31.7%	29.9%	30.3%
20.9%	20.7%	21.0%	23.3%	20.5%	20.5%

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations
Fiscal 1999 Compared to Fiscal 1998

Consolidated net sales for the year ended July 31, 1999, were $173,985,000, an increase of 8.6% over net sales of $160,252,000 in fiscal 1998. Excluding the $2,372,000 of fiscal 1998 sales from the transportation business, which was divested last year, sales increased 10.2% in fiscal 1999. Net income for fiscal 1999 was $7,176,000, an increase of 51.9% from $4,723,000 earned in fiscal 1998. Basic net income per share for fiscal 1999 was $1.23 and diluted net income per share was $1.20, versus $0.77 per share (basic and diluted) earned in fiscal 1998. A significant portion of the year-to-year increase in net income and net income per share was due to a special charge recorded in the second quarter of fiscal 1998 to cover the costs of exiting the transportation business and writing off certain non-performing assets. This charge reduced pre-tax income by $3,129,000, net income by $2,237,000 and net income per share by $0.36 for the year ended July 31, 1998.

Net sales of the Consumer Products segment for fiscal 1999 were $114,704,000, an increase of 12.7% over net sales of $101,766,000 in fiscal 1998. This growth was primarily due to incremental sales from the introduction of SCOOP 'N FLUSH(TM) and DUST STOPPER(TM)paper litters and the acquisition of Oil-Dri, Mounds Production Company, partially offset by the loss of sales to Sam's Club, which in fiscal 1998 discontinued carrying the Company's cat litter products. Consumer Products' operating income declined 3.9% from $18,034,000 in fiscal 1998 to $17,331,000 in fiscal 1999. This decline was due to nonrecurring development, marketing and slotting costs related to the launch of the paper litters in fiscal 1999.

Net sales of the Fluids Purification Products segment for fiscal 1999 were $23,071,000, an increase of 8.1% over net sales of $21,337,000 in fiscal 1998. Sales of ULTRA-CLEAR(R) clarification aids grew in fiscal 1999, and demand for PURE-FLO(R) was particularly strong in the United Kingdom. Fluids Purification Products' operating income increased 27.8% from $4,413,000 in fiscal 1998 to $5,641,000 in fiscal 1999 due to productivity improvements and favorable changes in sales mix.

Net sales of the Agricultural Products segment for fiscal 1999 were $19,119,000, a decrease of 1.5% from net sales of $19,403,000 in fiscal 1998. This overall decline is due to sharply reduced demand for agricultural carriers as a result of a depressed farm economy and the growth of biotechnology products. Agricultural Products' operating income increased 7.4% from $3,225,000 in fiscal 1998 to $3,464,000 in fiscal 1999 due to a decrease in advertising expenditures.

Net sales of the Industrial and Automotive Products segment for fiscal 1999 were $17,091,000, an increase of 11.2% from net sales of $15,374,000 in fiscal 1998 due to incremental sales from last year's acquisition of Oil-Dri, Mounds Production Company. Industrial and Automotive Products' operating income increased 26.7% from $618,000 in fiscal 1998 to $783,000 in fiscal 1999, primarily as a result of decreased advertising expenditures.

Consolidated gross profit as a percentage of net sales for fiscal 1999 increased to 31.5% from 31.3% in fiscal 1998. Changes in sales mix, a companywide effort to reduce costs and exiting the transportation business contributed to this increase.

Operating expenses as a percentage of net sales decreased to 24.8% for fiscal 1999 from 26.0% in fiscal 1998. This decrease is primarily due to a pre-tax special charge of $3,129,000 recorded in the second quarter of fiscal 1998 for the cost of exiting the transportation business and writing off certain non-performing assets, partially offset by nonrecurring development, marketing and slotting costs related to the launch of the paper litters in fiscal 1999.

Interest expense increased $1,136,000 while interest income decreased $11,000. The higher interest expense is primarily due to the fixed rate financing secured during the third quarter of fiscal 1998 which was used to fund the purchase of Oil-Dri, Mounds Production Company, repay draws against the Company's line of credit and for general working capital purposes.

The Company's effective tax rate was 28.5% of pre-tax income in fiscal 1999 and fiscal 1998.

Total assets of the Company decreased $465,000 or 0.3% during the year ended July 31, 1999. Current assets decreased $529,000 or 1.0% from fiscal 1998 year-end balances primarily due to decreased cash and cash equivalents, partially offset by increases in inventory, prepaid expenses and accounts receivable levels. Property, plant and equipment, net of accumulated depreciation, decreased $37,000 during the year as depreciation expense essentially offset new capital expenditures.

Total liabilities decreased $3,164,000 or 5.1% during the year due primarily to decreases in accrued expenses and in notes payable, partially offset by an increase in accounts payable. Current liabilities decreased $1,387,000 or 8.0% from July 31, 1998 balances, due to decreases in accrued expenses, partially offset by increases in accounts payable and in the current maturities of notes payable.

Expectations

The Company anticipates net sales for fiscal 2000 will be higher than the net sales in fiscal 1999. Sales of branded cat box absorbents are expected to increase moderately as existing products and new product introductions gain incremental distribution. However, sales growth of cat box absorbents is subject to continuing competition for shelf space in the grocery, mass merchandiser and club markets. Sales of the Company's fluids purification products are also expected to increase moderately in fiscal 2000. Sales of the Company's agricultural products are expected to be lower in fiscal 2000 than in fiscal 1999 due to biotechnology, depressed export demand and low domestic crop prices.

Liquidity and Capital Resources

The current ratio increased to 3.3 at July 31, 1999 from 3.1 at July 31, 1998. Working capital increased $858,000 during fiscal 1999 to $37,141,000. Cash provided by operations continues to be the Company's primary source of funds to finance ordinary investing and financing activities. During the year, the balances of cash, cash equivalents and investment securities decreased $4,996,000. Cash provided by operating activities of $9,551,000 and cash on hand were used to fund capital expenditures ($8,495,000), purchases of the Company's common stock ($2,607,000), principal payments on long term debt ($2,085,000) and dividend payments ($1,865,000). Total cash and investment balances held by the Company's foreign subsidiaries at July 31, 1999 and July 31, 1998 were $2,692,000 and $3,350,000, respectively.

Results of Operations
Fiscal 1998 Compared to Fiscal 1997

Consolidated net sales for the year ended July 31, 1998, were $160,252,000, an increase of 2.3% over net sales of $156,616,000 in fiscal 1997. Excluding transportation sales, which were $2,372,000 in fiscal 1998 and $7,705,000 in fiscal 1997, sales increased 6.0% over 1997. Net income for fiscal 1998 was $4,723,000 or $0.77 per share (basic and diluted), a decrease of 30.5% from $6,793,000 or $1.03 per share (basic and diluted) earned in fiscal 1997. This decrease was primarily due to a special charge recorded in the second quarter of fiscal 1998. The special charge, which primarily covered the costs of exiting the transportation business as well as writing off certain non-performing assets, reduced pre-tax income by $3,129,000, net income by $2,237,000 and net income per share by $0.36 for the year ended July 31, 1998. Excluding the special charge, net income per share was $1.13, an increase of 9.7% over the prior year.

Net sales of the Consumer Products segment for fiscal 1998 were $101,766,000, an increase of 5.2% over net sales of $96,725,000 in fiscal 1997. This growth was primarily due to increased sales of branded and private label products in both the grocery and mass merchandiser markets and incremental sales resulting from the purchase of Oil-Dri, Mounds Production Company on April 20, 1998. These sales increases were partially offset by a decline of approximately $2,300,000 in sales to Sam's Club, which in fiscal 1998 discontinued carrying the Company's cat litter products. Consumer Products' operating income increased 10.9% from $16,267,000 in fiscal 1997 to $18,034,000 in fiscal 1998, primarily due to the incremental gross profit resulting from the growth in sales.

Net sales of the Fluids Purification Products segment for fiscal 1998 were $21,337,000, an increase of 12.4% over net sales of $18,981,000 in fiscal 1997 due to increased demand for these products in the United

Kingdom. Fluids Purification Products' operating income increased 5.0% from $4,204,000 in fiscal 1997 to $4,413,000 in fiscal 1998 due to the incremental gross profit resulting from the growth in sales, partially offset by unfavorable changes in sales mix.

Net sales of the Agricultural Products segment for fiscal 1998 were $19,403,000, an increase of 4.9% from net sales of $18,493,000 in fiscal 1997 due to increased demand in the industry for agricultural carriers. Agricultural Products' operating income decreased 24.4% from $4,267,000 in fiscal 1997 to $3,225,000 in fiscal 1998, primarily due to unfavorable changes in sales mix.

Net sales of the Industrial and Automotive Products segment for fiscal 1998 were $15,374,000, an increase of 4.5% from net sales of $14,712,000 in fiscal 1997, primarily due to incremental sales resulting from the acquisition of Oil-Dri, Mounds Production Company. Industrial and Automotive Products' operating income increased 39.8% from $442,000 in fiscal 1997 to $618,000 in fiscal 1998, due to a focus on decreasing costs and increasing product profitability.

Consolidated gross profit as a percentage of net sales for fiscal 1998 increased to 31.3% from 30.6% in fiscal 1997. Changes in sales mix, a companywide effort to reduce costs and exiting the transportation business contributed to this increase.

Operating expenses as a percentage of net sales increased to 26.0% for fiscal 1998 from 23.8% in fiscal 1997. This increase is primarily due to a pre-tax special charge of $3,129,000 recorded in the second quarter of fiscal 1998 for the cost of exiting the transportation business and writing off certain non-performing assets.

Interest expense increased $274,000 while interest income decreased $146,000. The higher interest expense is primarily due to the fixed rate financing secured during the third quarter of fiscal 1998, which was used to fund the purchase of Oil-Dri, Mounds Production Company, repay draws against the Company's line of credit and for general working capital purposes.

The Company's effective tax rate decreased to 28.5% of pre-tax income in fiscal 1998 from 28.6% in fiscal 1997.

Total assets of the Company increased $19,657,000 or 17.2% during the year ended July 31, 1998. Current assets increased $6,699,000 or 14.3% from fiscal 1997 year-end balances primarily due to higher inventory and accounts receivable levels. Property, plant and equipment, net of accumulated depreciation, increased $7,004,000 or 12.5% during the year, primarily due to the acquisition of Oil-Dri, Mounds Production Company, partially offset by depreciation expense exceeding capital expenditures. Investments in property, plant and equipment included expenditures for increased productivity. Other assets increased $5,954,000 due to intangibles resulting from the acquisition.

Total liabilities increased $25,179,000 or 67.6% during the year due primarily to a $25,000,000 increase in long-term debt partially used to acquire Oil-Dri, Mounds Production Company. Current liabilities increased $1,581,000 or 10.0% from July 31, 1997 balances, due to an increase in freight payables related to exiting the transportation business, accounts payable and other accrued expenses, partially offset by a decrease in accrued trade promotions and advertising.

Foreign Operations

Net sales by the Company's foreign subsidiaries during fiscal 1999 were $14,501,000 or 8.3% of total Company sales. This represents an increase of 3.7% from fiscal 1998 in which foreign subsidiary sales were $13,987,000 or 8.7% of total Company sales. The increase is due to higher demand for fluids purification products in the United Kingdom. Net income of the foreign subsidiaries for fiscal 1999 was $590,000, a decrease of 6.9% from $634,000 earned in fiscal 1998. This decrease was primarily due to unfavorable changes in sales mix. Identifiable assets of the Company's foreign subsidiaries as of July 31, 1999 were $11,064,000, a decrease of $696,000 from $11,760,000 as of July 31, 1998. The decrease is primarily due to lower inventories and cash and cash equivalents.

Net sales by the Company's foreign subsidiaries during fiscal 1998 were $13,987,000 or 8.7% of total Company sales. This represents an increase of 16.6% from fiscal 1997, in which foreign subsidiary sales were

$12,000,000 or 7.7% of total Company sales. Net income of the foreign subsidiaries for fiscal 1998 was $634,000, an increase of 14.0% from $556,000 earned in fiscal 1997. The increases in sales and net income were due to higher demand for fluids purification products in the United Kingdom, partially offset by substantially lower demand for these products in Malaysia. Identifiable assets of the Company's foreign subsidiaries as of July 31, 1998 were $11,760,000, an increase of $1,894,000 from $9,866,000 as of July 31, 1997. The increase is primarily due to higher inventories and cash and cash equivalents.

Year 2000

The Year 2000 ("Y2K") issue is a result of computer programs using a two-digit format, as opposed to four digits, to indicate the year. Such computer systems will be unable to interpret dates beyond 1999, which could cause a system failure or application errors, leading to disruptions in operations.

The Company has completed a process of conducting an internal review of all business information systems, including hardware, software, telecommunication systems, and manufacturing equipment, to determine major areas of exposure to Y2K issues, and believes that it has resolved all material issues.

The Company has also assessed the readiness of its key suppliers, customers and business partners to be Y2K-compliant. Information requests have been distributed and the Company has received representations from key third parties that their systems are Y2K-compliant.

Based upon the foregoing Y2K efforts, no contingency plans are expected to be needed; however, contingency plans have been developed for all systems and processes determined to be critical. The plans include the ability to switch to manual systems as well as the identification of alternative suppliers.

The project to address Y2K has been underway since fiscal 1998. Pretax costs incurred to date, as well as anticipated remaining expenses to be incurred in fiscal 2000, are not material.

Forward-Looking Statements

Certain statements in this report, including, but not limited to, those under the heading "Expectations" and those statements elsewhere in this report that use forward-looking terminology such as "expect," "would," "could," "should," "estimates," and "believes" are "forward-looking statements" within the meaning of that term in the Securities Exchange Act of 1934, as amended. Actual results may differ materially from those reflected in these forward-looking statements, due primarily to continued vigorous competition in the grocery, mass merchandiser and club markets, the level of success of new products, and the cost of product introductions and promotions in the consumer market. These forward-looking statements also involve the risk of changes in market conditions in the overall economy and, for the fluids purification and agricultural markets, in planting activity, crop quality, and overall agricultural demand, including export demand and foreign exchange rate fluctuations. Other factors affecting these forward-looking statements may be detailed from time to time in reports filed with the Securities and Exchange Commission.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company did not have any derivative financial instruments as of July 31, 1999. However, the Company is exposed to interest rate risk. The Company employs policies and procedures to manage its exposure to changes in the market risk of its cash equivalents and short term investments. The Company believes that the market risk arising from holdings of its financial instruments is not material.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

CONSOLIDATED BALANCE SHEETS

	JULY 31, 1999	JULY 31, 1998
	(IN THOUSANDS OF DOLLARS)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 4,362	$ 9,410
Investment securities	1,225	1,173
Accounts receivable, less allowance of $358 in 1999 and $351 in 1998	25,365	24,210
Inventories	15,165	13,258
Prepaid expenses	6,963	5,558
Total Current Assets	$ 53,080	$ 53,609
PROPERTY, PLANT AND EQUIPMENT, AT COST		
Buildings and leasehold improvements	20,391	20,132
Machinery and equipment	87,536	80,884
Office furniture and equipment	8,658	8,999
Vehicles	5,118	6,276
	121,703	116,291
Less accumulated depreciation and amortization	(69,631)	(63,493)
	52,072	52,798
Construction in progress	3,199	3,390
Land	7,577	6,697
Total Property, Plant and Equipment, Net	62,848	62,885
OTHER ASSETS		
Goodwill and intangibles (Net of accumulated amortization of $2,128 in 1999 and $1,469 in 1998)	9,780	8,963
Deferred income taxes	3,045	3,697
Other	4,997	5,061
Total Other Assets	17,822	17,721
Total Assets	$133,750	$134,215

	JULY 31, 1999	JULY 31, 1998
	(IN THOUSANDS OF DOLLARS)	
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current maturities of notes payable	$ 2,226	$ 2,084
Accounts payable	4,842	4,416
Dividends payable	484	444
Accrued expenses		
Salaries, wages and commissions	3,016	3,120
Trade promotions and advertising	1,166	1,900
Freight	1,119	1,747
Other	3,086	3,615
Total Current Liabilities	15,939	17,326
NONCURRENT LIABILITIES		
Notes payable	38,150	39,976
Deferred compensation	3,206	3,174
Other	1,948	1,931
Total Noncurrent Liabilities	43,304	45,081
Total Liabilities	59,243	62,407
STOCKHOLDERS' EQUITY		
Common Stock, par value $.10 per share, issued 5,470,252 shares in 1999 and 5,456,098 shares in 1998	547	546
Class B Stock, par value $.10 per share, issued 1,765,266 shares in 1999 and 1,779,420 shares in 1998	177	178
Additional paid-in capital	7,702	7,702
Retained earnings	90,430	85,158
Restricted unearned stock compensation	(9)	(51)
Cumulative translation adjustments	(1,159)	(1,151)
	97,688	92,382
Less treasury stock, at cost (1,163,764 Common shares and 342,241 Class B shares in 1999 and 981,260 Common shares and 342,241 Class B shares in 1998)	(23,181)	(20,574)
Total Stockholders' Equity	74,507	71,808
Total Liabilities and Stockholders' Equity	$133,750	$134,215

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

	YEAR ENDED JULY 31,		
	1999	1998	1997
	(IN THOUSANDS EXCEPT FOR PER SHARE DATA)		
NET SALES	$173,985	$160,252	$156,616
COST OF SALES	119,126	110,096	108,687
GROSS PROFIT	54,859	50,156	47,929
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	43,108	38,598	37,260
SPECIAL CHARGE	--	3,129	--
INCOME FROM OPERATIONS	11,751	8,429	10,669
OTHER INCOME (EXPENSE)			
Interest income	480	491	637
Interest expense	(3,185)	(2,049)	(1,775)
Foreign exchange losses	(124)	(146)	--
Other investment income	939	--	--
Other, net	175	(119)	(17)
Total Other Expense, Net	(1,715)	(1,823)	(1,155)
INCOME BEFORE INCOME TAXES	10,036	6,606	9,514
INCOME TAXES	2,860	1,883	2,721
NET INCOME	$ 7,176	$ 4,723	$ 6,793
NET INCOME PER SHARE			
Basic	$ 1.23	$ 0.77	$ 1.03
Dilutive	$ 1.20	$ 0.77	$ 1.03
AVERAGE SHARES OUTSTANDING			
Basic	5,827	6,125	6,596
Dilutive	5,996	6,165	6,599

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	COMMON & CLASS B STOCK	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	RESTRICTED UNEARNED STOCK COMPENSATION	TREASURY STOCK	OTHER COMPREHENSIVE INCOME	TOTAL STOCKHOLDERS' EQUITY
				(IN THOUSANDS)			
BALANCE, JULY 31, 1996	$724	$7,684	$77,386	$(24)	$ (7,522)	$(1,018)	$77,230
Net Income	--	--	6,793	--	--	--	6,793
Cumulative Translation Adjustments	--	--	--	--	--	111	111
Total Comprehensive Income							6,904
Dividends Declared	--	--	(1,936)	--	--	--	(1,936)
Purchases of Treasury Stock	--	--	--	--	(4,883)	--	(4,883)
Issuance of stock under 1995 Long Term Incentive Plan	--	2	--	(9)	7	--	--
Amortization of Restricted Common Stock Compensation	--	--	--	15	--	--	15
BALANCE, JULY 31, 1997	724	7,686	82,243	(18)	(12,398)	(907)	77,330
Net Income	--	--	4,723	--	--	--	4,723
Cumulative Translation Adjustments	--	--	--	--	--	(244)	(244)
Total Comprehensive Income							4,479
Dividends Declared	--	--	(1,808)	--	--	--	(1,808)
Purchases of Treasury Stock	--	--	--	--	(8,237)	--	(8,237)
Issuance of stock under 1995 Long Term Incentive Plan	--	16	--	(77)	61	--	--
Amortization of Restricted Common Stock Compensation	--	--	--	44	--	--	44
BALANCE, JULY 31, 1998	724	7,702	85,158	(51)	(20,574)	(1,151)	71,808
Net Income	--	--	7,176	--	--	--	7,176
Cumulative Translation Adjustments	--	--	--	--	--	(8)	(8)
Total Comprehensive Income							7,168
Dividends Declared	--	--	(1,904)	--	--	--	(1,904)
Purchases of Treasury Stock	--	--	--	--	(2,607)	--	(2,607)
Amortization of Restricted Common Stock Compensation	--	--	--	42	--	--	42
BALANCE, JULY 31, 1999	$724	$7,702	$90,430	$ (9)	$(23,181)	$(1,159)	$74,507

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED JULY 31,		
	1999	1998	1997
	(IN THOUSANDS)		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	$ 7,176	$ 4,723	$ 6,793
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	8,497	7,832	7,587
Non-cash special charge	--	1,689	--
Deferred income taxes	652	(1,251)	(181)
Provision for bad debts	8	2	125
(Increase) decrease in			
Accounts receivable	(1,163)	(4,282)	235
Inventories	(1,906)	(2,381)	1,133
Prepaid expenses and taxes	(1,405)	(873)	(383)
Other assets	(788)	(637)	(537)
Increase (decrease) in			
Accounts payable	426	366	(1,289)
Income taxes payable	--	--	(691)
Accrued expenses	(1,637)	649	(361)
Deferred compensation	32	424	497
Other	(341)	250	261
Total Adjustments	2,375	1,788	6,396
Net Cash Provided by Operating Activities	9,551	6,511	13,189
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditures	(8,495)	(6,496)	(5,395)
Proceeds from sale of property, plant and equipment	109	78	555
Purchases of investment securities	(1,225)	(1,173)	(350)
Dispositions of investment securities	1,173	1,544	400
Proceeds from sale of investments	--	709	--
Purchase of Oil-Dri, Mounds Production Company assets	--	(14,657)	--
Other	5	32	(141)
Net Cash Used in Investing Activities	(8,433)	(19,963)	(4,931)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal payments on long-term debt	(2,084)	(1,937)	(1,628)
Proceeds from issuance of long-term debt	400	25,000	21
Dividends paid	(1,865)	(1,839)	(1,961)
Purchase of treasury stock	(2,607)	(8,237)	(4,883)
Other	(10)	(122)	76
Net Cash (Used in) Provided by Financing Activities	(6,166)	12,865	(8,375)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,048)	(587)	(117)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	9,410	9,997	10,114
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 4,362	$ 9,410	$ 9,997

The accompanying notes are an integral part of the consolidated financial statements.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of Oil-Dri Corporation of America and its subsidiaries, all of which are wholly owned. All significant intercompany balances and transactions have been eliminated from the consolidated financial statements.

Management Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Revenues from sales of products are recognized upon shipment.

Income Taxes

Deferred income taxes reflect the impact of temporary differences between the assets and liabilities recognized for financial reporting purposes and amounts recognized for tax purposes.

No provision has been made for possible income taxes which may be paid on the distribution of approximately $20,391,000 and $21,091,000 as of July 31, 1999 and 1998, respectively, of retained earnings of foreign subsidiaries, as substantially all such amounts are intended to be indefinitely invested in these subsidiaries or no additional income taxes would be incurred when such earnings are distributed. It is not practicable to determine the amount of income taxes or withholding taxes that would be payable upon the remittance of assets that represent those earnings.

Interest Rate Derivative Instruments

An interest rate swap agreement which expired on August 1, 1998 was utilized in the management of interest rate exposure. Interest differentials on the swap contract (Note 6) are recorded as interest expense in the contract period incurred. The Company recognized additional interest expense of $15,100, $57,000 and $60,100 in fiscal years 1999, 1998 and 1997, respectively, as a result of this contract.

Reclassification

Certain items in prior year financial statements have been reclassified to conform to the presentation used in fiscal 1999.

Translation of Foreign Currencies

Assets and liabilities of foreign subsidiaries, where the local currency is the functional currency, are translated at the exchange rates in effect at period end. Income statement items are translated at the average exchange rate on a monthly basis. Resulting translation adjustments are recorded as a separate component of stockholder's equity.

Cash Equivalents

Cash equivalents are highly liquid investments with maturities of three months or less when purchased.

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are valued at the lower of cost (first-in, first-out) or market. The composition of inventories as of July 31 is as follows:

	1999	1998
	(IN THOUSANDS)	
Finished goods	$ 9,593	$ 7,935
Packaging	4,267	4,220
Other	1,305	1,103
	$15,165	$13,258

Concentration of Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of cash investments and accounts receivable. The Company places its cash investments in government backed instruments, both foreign and domestic, and with other quality institutions. Concentrations of credit risk with respect to accounts receivable are subject to the financial condition of certain major customers, principally the customer referred to in Note 5. The Company generally does not require collateral to secure customer receivables.

Property, Plant and Equipment

Property, plant and equipment expenditures are generally depreciated using the straight-line method over their estimated useful lives as follows:

	YEARS
Buildings and leasehold improvements	5-30
Machinery and equipment	2-20
Office furniture and equipment	2-10
Vehicles	2-8

Research and Development

Research and development costs of $2,110,000 in 1999, $2,376,000 in 1998 and $2,049,000 in 1997 were charged to expense as incurred.

Intangibles and Goodwill

Intangibles and goodwill are amortized on a straight-line basis over periods ranging from 15 to 40 years. The Company periodically reviews goodwill and other intangibles to assess recoverability from projected undiscounted cash flows of the related operating entities.

Advertising Costs

The Company defers recognition of advertising production costs until the first time the advertising takes place; other advertising costs are expensed as incurred. Advertising expenses were $4,577,000, $4,352,000 and $3,650,000 for the years ended July 31, 1999, 1998 and 1997, respectively.

Fair Value of Financial Instruments

Non-derivative financial instruments included in the consolidated balance sheets are cash and cash equivalents, investment securities and notes payable. These instruments, except for notes payable, were carried at amounts approximating fair value as of July 31, 1999 and 1998. The fair value of notes payable was

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
estimated based on future cash flows discounted at current interest rates available to the Company for debt with similar maturities and characteristics. The fair value of notes payable as of July 31, 1999 was greater than its carrying value by approximately $261,000 and was less than its carrying value by approximately $125,000 as of July 31, 1998.

New Accounting Standards

In June, 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" which requires companies to recognize all derivatives as assets or liabilities measured at their fair value. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and whether it qualifies for hedge accounting. Although the impact of this statement has not been fully assessed, the Company believes adoption of this statement, which will occur by July 2000, will not have a material financial statement impact.

In July 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income." This statement established standards for reporting comprehensive income in the financial statements. The Company adopted this standard in July 1999 and has elected to disclose comprehensive income, which for the Company includes net income and foreign currency translation adjustments, in the consolidated statements of stockholders' equity.

In February 1998, the FASB issued SFAS No. 132, "Employers' Disclosure about Pension and Other Postretirement Benefits." This statement revises employers' disclosures about pensions and other postretirement benefit plans. It does not change the measurement or recognition of those plans in the financial statements. The Company's adoption of this new standard in July 1999 did not result in material changes to the previously reported amounts. See Note 10 for further discussion.

NOTE 2 -- SPECIAL CHARGE

The Company recorded a pre-tax special charge of $3,129,000 during the second quarter of fiscal 1998 to cover the cost of exiting the transportation business ($1,508,000), to write off certain other non-performing assets ($932,000), and to cover other exit costs ($689,000). The transportation business exit costs consisted primarily of trailer rehabilitation, employee severance, and professional fees. None of these items was individually significant. A summary of the balance sheet activity for the years ended July 31, is presented below:

	1999	1998
	(IN THOUSANDS)	
Beginning Balance	$ 358	$ 3,129
Utilization of accrual:		
Transportation business exit costs	(68)	(1,440)
Write-off of non-performing assets	(124)	(808)
Other exit costs	(166)	(523)
Balance at End of Year	$ 0	$ 358

NOTE 3 -- ACQUISITION

On April 20, 1998, the Company completed the purchase of the Fuller's Earth absorbent business of American Colloid Co., a wholly owned subsidiary of Amcol International, for approximately $14,657,000 including transaction expenses. The purchase includes a production plant and mineral reserves in Mounds, Illinois ("Oil-Dri, Mounds Production Company"), and mineral reserves located in Paris, Tennessee, and Silver Springs, Nevada. The business has annual sales approximating $15,000,000. The Company financed the acquisition through a fixed rate private debt placement. The acquisition was accounted for as a purchase, with the excess purchase price over fair market value of the underlying assets allocated to intangibles, including supply contracts and non-compete covenants. These intangibles are being amortized over periods from 15 to 40 years.

NOTE 4 -- OPERATING SEGMENTS

In July 1999, the Company adopted SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." SFAS No. 131 establishes standards for reporting information about operating segments. Under this standard, the Company has four reportable operating segments: Consumer Products, Fluids Purification Products, Agricultural Products, and Industrial and Automotive Products. These segments are managed separately because each business has different economic characteristics. A complete description of each segment can be found in Item 1 of this report.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies.

Because management does not rely on segment asset allocation, information regarding segment assets is not meaningful and therefore is not reported.

	YEAR ENDED JULY 31					
	NET SALES			OPERATING INCOME		
	1999	1998	1997	1999	1998	1997
	(IN THOUSANDS)					
Consumer Products..................	$114,704	$101,766	$ 96,725	$17,331	$18,034	$16,267
Fluids Purification Products.......	23,071	21,337	18,981	5,641	4,413	4,204
Agricultural Products..............	19,119	19,403	18,493	3,464	3,225	4,267
Industrial and Automotive Products.........................	17,091	15,374	14,712	783	618	442
Total Ongoing Businesses...........	173,985	157,880	148,911	27,219	26,290	25,180
Total Exited Businesses(1).........	0	2,372	7,705	0	35	195
TOTAL SALES/OPERATING INCOME.......	$173,985	$160,252	$156,616	$27,219	$26,325	$25,375
Less: Special Charges(2)...........				--	3,129	--
Corporate Expenses...........				14,478	15,032	14,723
Interest Expense, net of interest income......................				2,705	1,558	1,138
INCOME BEFORE INCOME TAXES.........				10,036	6,606	9,514
INCOME TAXES.......................				2,860	1,883	2,721
NET INCOME.........................				$ 7,176	$ 4,723	$ 6,793

(1) The Company exited the transportation business during the second quarter of fiscal 1998.

(2) See Note 2 for a discussion of the special charge recorded in fiscal 1998.

NOTE 5 -- BUSINESS AND GEOGRAPHIC REGION INFORMATION

Nature of Business

The Company is a leader in developing, manufacturing and marketing sorbent products for consumer, fluids purification, agricultural, and industrial and automotive markets. The Company has operations in the United States, Canada and the United Kingdom and exports goods worldwide. The Company had net sales in excess of 10% of total net sales to one unaffiliated customer in 1999, 1998 and 1997. These sales were all reportable under the Consumer Products segment. Accounts receivable related to this major customer amounted to $6,105,000, $6,220,000, and $4,736,000 as of July 31, 1999, 1998 and 1997, respectively.

The sales to this customer for the years ended July 31 were as follows:

	1999	1998	1997
		(IN THOUSANDS)	
Amount	$34,143	$36,125	$37,219
Percent of net sales	20%	23%	24%

The following is a summary of financial information by geographic region for the years ended July 31:

	1999	1998	1997
		(IN THOUSANDS)	
Sales to unaffiliated customers:			
Domestic	$159,484	$146,265	$144,616
Foreign subsidiaries	$ 14,501	$ 13,987	$ 12,000
Sales or transfers between geographic areas:			
Domestic	$ 7,332	$ 9,200	$ 5,611
Income before income taxes:			
Domestic	$ 9,263	$ 5,750	$ 8,637
Foreign subsidiaries	$ 773	$ 856	$ 877
Net Income:			
Domestic	$ 6,586	$ 4,089	$ 6,237
Foreign subsidiaries	$ 590	$ 634	$ 556
Identifiable assets:			
Domestic	$122,686	$122,455	$104,692
Foreign subsidiaries	$ 11,064	$ 11,760	$ 9,866

NOTE 6 -- NOTES PAYABLE

The composition of notes payable at July 31 is as follows:

	1999	1998
	(IN THOUSANDS)	
Town of Blue Mountain, Mississippi Principal payable on October 1, 2008. Interest payable monthly at a variable interest rate set weekly based on market conditions for similar instruments. The average rate was 3.50% and 3.91% in fiscal 1999 and fiscal 1998 respectively. Payment of these bonds by the Company is guaranteed by a letter of credit issued by Harris Trust and Savings Bank. In May 1991, the Company entered into a seven-year interest rate swap contract. Under this agreement, which expired on August 1, 1998, the Company received a floating interest rate based on LIBOR and paid interest at a fixed rate of 6.53%	$ 2,500	$ 2,500
Teachers Insurance and Annuity Association of America Payable in annual principal installments on November 15; $1,200,000 in fiscal 2000; $1,100,000 in fiscal 2001; and $1,000,000 in fiscal 2002. Interest is payable semiannually at an annual rate of 9.38%	3,300	3,300
Teachers Insurance and Annuity Association of America Payable in annual principal installments on August 15; $500,000 in fiscal 2002; $1,000,000 in fiscal 2003; and $2,500,000 in fiscal 2004 and 2005. Interest is payable semiannually at an annual rate of 7.17%	6,500	6,500
Harris Trust and Savings Bank Payable in annual principal installments on June 20; $900,000 in fiscal 2000; $650,000 in fiscal 2001 and 2002; and $350,000 in fiscal 2003. Interest is payable quarterly at an annual rate of 7.78%	2,550	4,500
Teachers Insurance and Annuity Association of America and Connecticut General Life Insurance Company Payable in annual principal installments on April 15; $1,500,000 in fiscal 2003, 2004 and 2005; $3,000,000 in fiscal 2006; $4,000,000 in fiscal 2007 and 2008; $1,500,000 in fiscal 2009; $3,000,000 in fiscal 2010; $2,000,000 in fiscal 2011; and $1,500,000 in fiscal 2012 and 2013. Interest is payable semiannually at an annual rate of 6.55%	25,000	25,000
Other	526	260
	40,376	42,060
Less current maturities of notes payable	(2,226)	(2,084)
	$38,150	$39,976

On January 29, 1999, the Company entered into a new Credit Agreement with Harris Trust and Savings Bank which provides for up to $15,000,000 in committed unsecured revolving credit loans and/or letters of credit (not to exceed $5,000,000). This agreement terminates on January 29, 2004, or such earlier date as provided for in the agreement. Additionally, the Company decreased its uncommitted line of credit agreement with Harris Trust and Savings Bank to $15,000,000. There were no outstanding borrowings against these or prior lines at July 31, 1999 and 1998.

In April 1998, the Company completed a private debt placement of $25,000,000 at 6.55% with Teachers Insurance and Annuity Association of America ($14,000,000) and Connecticut General Life Insurance Company ($11,000,000). The proceeds of this fixed rate note were used to fund the purchase of the Company's production facility in Mounds, Illinois, repay draws against the Company's line of credit and for general working capital purposes.

NOTE 6 -- NOTES PAYABLE (CONTINUED)

The agreements with the Town of Blue Mountain, Mississippi, Teachers Insurance and Annuity Association of America, Harris Trust and Savings Bank and Connecticut General Life Insurance Company impose working capital requirements, dividend and financing limitations, minimum tangible net worth requirements and other restrictions. The Company's new Credit Agreement with Harris Trust and Savings Bank indirectly restricts dividends by requiring the Company to maintain tangible net worth, as defined, in the amount of $50,000,000 plus 40% of cumulative annual earnings from July 31, 1998.

In prior years, the Town of Blue Mountain, Mississippi issued long-term bonds to finance the purchase of substantially all of the assets of certain plant expansion projects, and leased the projects to the Company and various of its subsidiaries (with the Company and various of its wholly owned subsidiaries as guarantors) at rentals sufficient to pay the debt service on the bonds.

The following is a schedule by year of future maturities of notes payable as of July 31, 1999:

	(IN THOUSANDS)
2001	$ 1,750
2002	2,150
2003	2,850
2004	4,000
Later years	27,400
	$38,150

NOTE 7 -- INCOME TAXES

The provision for income tax expense consists of the following:

	1999	1998	1997
		(IN THOUSANDS)	
Current			
Federal	$1,324	$ 2,159	$1,988
Foreign	182	194	308
State	702	781	606
	2,208	3,134	2,902
Deferred			
Federal	649	(436)	35
Operating loss carryforward	91	(611)	(154)
Foreign	1	25	12
State	(89)	(229)	(74)
	652	(1,251)	(181)
Total Income Tax Provision	$2,860	$ 1,883	$2,721

NOTE 7 -- INCOME TAXES (CONTINUED)

Principal reasons for variations between the statutory federal rate and the effective rates for the years ended July 31 were as follows:

	1999	1998	1997
U.S. federal statutory income tax rate	34.0%	34.0%	34.0%
Depletion deductions allowed for mining	(12.0)	(15.1)	(10.8)
State income taxes, net of federal tax benefit	4.0	2.2	4.1
Valuation allowance without income tax benefit	4.6	10.4	1.6
Difference in effective tax rate of foreign subsidiaries	(1.0)	(1.1)	0.1
Other	(1.1)	(1.9)	(0.4)
	28.5%	28.5%	28.6%

The consolidated balance sheets as of July 31 included the following tax effects of cumulative temporary differences:

	1999		1998	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES
	(IN THOUSANDS)			
Depreciation	$ --	$1,608	$ --	$1,455
Deferred Compensation	1,244	--	1,232	--
Postretirement Benefits	474	--	614	--
Trade Promotions and Advertising	--	--	39	--
Other Assets	633	--	583	--
Accrued Expenses	486	--	523	--
Tax Credits	750	--	936	--
Operating Loss Carryforward	2,768	--	2,133	--
Other	40	--	--	260
	6,395	1,608	6,060	1,715
Valuation Allowance	(1,742)	--	(648)	--
Total Deferred Taxes	$ 4,653	$1,608	$5,412	$1,715

The valuation allowance represents operating loss carryforwards not anticipated to be utilized. As of July 31, 1999, for federal income tax purposes there were regular tax operating loss carryforwards of approximately $7,133,000, which begin to expire in the year 2013. A valuation allowance has been established for $1,742,000 of the deferred tax benefit related to those loss carryforwards for which it is considered more likely than not the benefit will not be realized. Tax credits of approximately $750,000, primarily consisting of foreign tax credits expiring in 2001 and later years, are also being carried forward.

NOTE 8 -- STOCKHOLDERS' EQUITY

The authorized capital stock of the Company at July 31, 1999 and 1998 consisted of 15,000,000 shares of Common Stock, 7,000,000 shares of Class B Stock and 30,000,000 shares of Class A Common Stock, each with a par value of $.10 per share. There are no Class A shares currently outstanding.

The Common Stock and Class B Stock are equal, on a per share basis, in all respects except as to voting rights, conversion rights, cash dividends and stock splits or stock dividends. The Class A Common Stock is equal, on a per share basis, in all respects, to the Common Stock except as to voting rights and stock splits or stock dividends. In the case of voting rights, Common Stock is entitled to one vote per share and Class B Stock is entitled to ten votes per share, while Class A Common Stock generally has no voting rights. Common Stock and Class A Common Stock have no conversion rights. Class B Stock is convertible on a share-for-share basis into Common Stock at any time and is subject to mandatory conversion under certain circumstances.

NOTE 8 -- STOCKHOLDERS' EQUITY (CONTINUED)

Common Stock is entitled to cash dividends, as and when declared or paid, equal to 133 1/3% on a per share basis of the cash dividend paid on Class B Stock. Class A Common Stock is entitled to cash dividends on a per share basis equal to the cash dividend on Common Stock. Additionally, while shares of Common Stock, Class A Common Stock and Class B Stock are outstanding, the sum of the per share cash dividend paid on shares of Common Stock and Class A Common Stock, must be equal to at least 133 1/3% of the sum of the per share cash dividend paid on Class B Stock and Class A Common Stock. See Note 6 regarding dividend restrictions.

Shares of Common Stock, Class A Common Stock and Class B Stock are equal in respect of all rights to dividends (other than cash) and distributions in the form of stock or other property (including stock dividends and split-ups) in each case in the same ratio except in the case of a Special Stock Dividend. The Special Stock Dividend, which can be issued only once, is either a dividend of one share of Class A Common Stock for each share of Common Stock and Class B Stock outstanding or a recapitalization, in which half of each outstanding share of Common Stock and Class B Stock would be converted into a half share of Class A Common Stock.

In June 1999, the Board of Directors of the Company authorized the repurchase, from time to time, of up to 200,000 additional shares of the Company's stock. This authorization, in addition to previous authorizations, totals 1,566,771 shares. As of July 31, 1999, 1,349,071 shares have been repurchased under these authorizations.

The number of holders of record of Common Stock and Class B stock on July 31, 1999 was 1,149 and 33, respectively. The Company's Common Stock is traded on the New York Stock Exchange. There is no established trading market for the Class B Stock.

NOTE 9 -- STOCK OPTION PLANS

The Company instituted the Oil-Dri Corporation of America 1995 Long Term Incentive Plan during the fiscal year ended July 31, 1996. On December 9, 1997, the stockholders voted to increase the number of shares available for grant under the 1995 Plan from 500,000 to 1,000,000 and further authorized the grant of Class B Shares under the Plan to certain members of the Richard M. Jaffee family. Generally, other than grants to Richard M. Jaffee family members, shares of stock awarded under the 1995 Plan will be Class A Common Stock, except that, if there is no Class A Common Stock issued and publicly traded on a securities exchange when such awards are exercised, the shares awarded would be Common Stock. The Plan provides for various other types of awards. Awards of restricted stock in the amount of 4,500 and 500 shares were made during the fiscal years ended July 31, 1998 and 1997 respectively. On September 18, 1998, 840,125 shares which had been issued in prior fiscal years under the 1995 Plan at an average price of $14.83 were reissued at an exercise price of $11.25. The reissued options awarded to members of the Richard M. Jaffee family covered Class B shares. A new vesting period applied to all the reissued options.

The Oil-Dri Corporation of America 1988 Stock Option Plan terminated on December 12, 1995, for purposes of future grants. The outstanding options under this plan will remain outstanding and exercisable in accordance with their respective terms.

The Company instituted the Oil-Dri Corporation of America Outside Director's Stock Plan on June 9, 1998. All shares of stock issued under this plan will be shares of Common Stock issued from Treasury Stock. The Plan provides for stock option grants and various other types of awards.

NOTE 9 -- STOCK OPTION PLANS (CONTINUED)

A summary of option transactions under the plans follows:

	1988 OPTION PLAN NUMBER OF SHARES (WEIGHTED AVERAGE OPTION PRICE)			1995 OPTION PLAN NUMBER OF SHARES (WEIGHTED AVERAGE OPTION PRICE)		
	1999	1998	1997	1999	1998	1997
	(IN THOUSANDS EXCEPT FOR PER SHARE AMOUNTS)					
Outstanding, Beginning of Year	186	199	251	881	324	195
	$(18.49)	$(18.49)	$(18.63)	$(14.84)	$(14.88)	$(14.92)
Granted	--	--	--	882	1,036	145
	--	--	--	$(11.29)	$(15.33)	$(14.82)
Exercised	--	--	--	--	--	--
	--	--	--	--	--	--
Canceled/Terminated	42	13	52	39	37	16
	$(15.85)	$(18.59)	$(19.14)	$(13.51)	$(15.62)	$(14.96)
Canceled/Reissued	--	--	--	840	442	--
	--	--	--	$(14.83)	$(15.94)	--
Outstanding, End of Year	144	186	199	884	881	324
	$(19.27)	$(18.49)	$(18.49)	$(11.37)	$(14.84)	$(14.88)

	OUTSIDE DIRECTOR'S PLAN NUMBER OF SHARES (WEIGHTED AVERAGE OPTION PRICE)			COMBINED PLANS NUMBER OF SHARES (WEIGHTED AVERAGE OPTION PRICE)		
	1999	1998	1997	1999	1998	1997
	(IN THOUSANDS EXCEPT FOR PER SHARE AMOUNTS)					
Outstanding, Beginning of Year	70	--	--	1,137	523	446
	$(14.63)	--	--	$(15.42)	$(16.25)	$(17.00)
Granted	--	70	--	882	1,106	145
	--	$(14.63)	--	$(11.29)	$(15.28)	$(14.82)
Exercised	--	--	--	--	--	--
	--	--	--	--	--	--
Canceled/Terminated	--	--	--	81	50	68
	--	--	--	$(14.73)	$(16.36)	$(18.16)
Canceled/Reissued	--	--	--	840	442	--
	--	--	--	$(14.83)	$(15.94)	--
Outstanding, End of Year	70	70	--	1,098	1,137	523
	$(14.63)	$(14.63)	--	$(12.61)	$(15.42)	$(16.25)

As of July 31, 1999, the Company has reserved 109,438 and 130,000 shares of Common Stock for future grants and issuances under the Oil-Dri Corporation of America 1995 Long Term Incentive Plan and the Oil-Dri Corporation of America Outside Director's Stock Plan, respectively.

Exercise prices of the options outstanding under the 1988 Option Plan range between $17.75 and $20.00 per share with a weighted average price of $19.27 per share and a weighted remaining average contractual life at July 31, 1999 of 4.3 years. As of July 31, 1999, 125,600 options were exercisable.

The exercise price of options outstanding under the Outside Director's Stock Plan is $14.63 with a contractual life of 8.9 years. All of these options are exercisable at July 31, 1999.

NOTE 9 -- STOCK OPTION PLANS (CONTINUED)

Exercise prices of the options outstanding under the 1995 Long Term Incentive Plan range between $11.25 and $15.13 per share with a weighted average exercise price of $11.37 per share and a weighted remaining average contractual life of 9.09 years at July 31, 1999. As of July 31, 1999, 8,937 of these options were exercisable.

The Company has elected to continue to account for stock-based compensation using the intrinsic value method under APB Opinion No. 25. Consequently, no compensation expense has been recognized for stock options. If compensation expense for the Company's stock options issued in the fiscal years ended July 31, 1999, 1998 and 1997 had been determined based on the fair value method of accounting, as defined in SFAS No. 123, the Company's net income and net income per share would have been reduced to the pro forma amounts indicated below:

	1999	1998	1997
	(IN THOUSANDS EXCEPT FOR PER SHARE AMOUNTS)		
Net income as reported	$7,176	$4,723	$6,793
Pro forma	$6,515	$4,430	$6,651
Net income per share as reported			
Basic	$ 1.23	$ .77	$ 1.03
Dilutive	$ 1.20	$ .77	$ 1.03
Pro forma			
Basic	$ 1.12	$ .72	$ 1.01
Dilutive	$ 1.09	$ .72	$ 1.01

The fair value of issued stock options is estimated on the grant date using the Black-Scholes Option Pricing Method with the following assumptions for the fiscal years ended July 31, 1999, 1998 and 1997, respectively: Dividend yields of 2.8%, 2.1% and 2.1%; volatility of 25.8%, 25.6% and 25.7%; risk-free interest rates of 5.9%, 5.7% and 6.0%; and an expected life of 5.4 years for all three years. The weighted average fair value of the options granted, including the effect of repricing, was $1.42, $4.55 and $4.22 for the fiscal years ended July 31, 1999, 1998 and 1997, respectively. The fair value method of accounting has not been applied for options granted prior to August 1, 1995.

NOTE 10 -- EMPLOYEE BENEFIT PLANS

The Company and its subsidiaries have defined benefit pension plans for eligible salaried and hourly employees. Benefits are based on a formula of years of credited service and levels of compensation or stated amounts for each year of credited service. The assets of these plans are invested in various high quality marketable securities.

The net periodic pension cost for the years ended July 31 consists of the following:

	1999	1998	1997
	(IN THOUSANDS)		
Service cost	$ 539	$ 438	$ 348
Interest cost on projected benefit obligations	591	538	441
Earnings on plan assets	(686)	(1,060)	(1,892)
Net amortization and deferral	(33)	422	1,427
Net pension cost	$ 411	$ 338	$ 324

NOTE 10 -- EMPLOYEE BENEFIT PLANS (CONTINUED)

The funded status of the plans at July 31 is as follows:

	1999	1998
	(IN THOUSANDS)	
Actuarial Present Value of Benefit Obligations		
Accumulated Benefit Obligations		
Vested	$ 6,194	$ 6,320
Nonvested	337	374
Total Accumulated Benefit Obligations	$ 6,531	$ 6,694
Projected Benefit Obligations	8,370	8,943
Plan Assets at Fair value	10,059	8,524
Excess (Deficiency) of Plan Assets Over (Under) Projected Benefit Obligations	1,689	(419)
Unrecognized Net Gain	(3,303)	(1,267)
Unrecognized Prior Services Cost	581	626
Unrecognized Net Excess Plan Assets as of August 1, 1987, Being Recognized Principally Over 21 Years	(238)	(264)
Adjustment Required to Recognize Minimum Liability	--	(247)
Accrued Pension Included in Noncurrent Liabilities -- Other	$(1,271)	$(1,571)

Reconciliation of the assets and liabilities of the plans at July 31 is as follows:

	1999	1998
	(IN THOUSANDS)	
Change in Plan Assets		
Plan assets at fair value, beginning of year	$ 8,524	$7,546
Actual return on plan assets	1,322	1,027
Contributions	464	150
Benefits paid	(251)	(199)
Plan assets at fair value, end of year	$10,059	$8,524
Change in Projected Benefit Obligation		
Projected benefit obligation, beginning of year	$ 8,943	$6,566
Service cost	539	438
Interest cost	592	538
Change in discount rate	(1,131)	688
Other assumption changes	--	631
Plan amendments	3	132
Actuarial (gain) loss	(325)	149
Benefits paid	(251)	(199)
Projected benefit obligation, end of year	$ 8,370	$8,943

Assumptions used in the previous calculations are as follows:

	1999	1998
Discount rate	7.75%	7.0%
Rate of increase in compensation levels	5.0%	5.0%
Long-term expected rate of return on assets	8.0%	8.0%

NOTE 10 -- EMPLOYEE BENEFIT PLANS (CONTINUED)

The Company has funded the plans based upon actuarially determined contributions that take into account the amount deductible for income tax purposes and the minimum contribution required under the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

For the years ended July 31, 1999, 1998 and 1997, the Company maintained a 401(k) savings plan under which the Company matches a portion of employee contributions. The plan is available to essentially all domestic employees at the beginning of the fiscal quarter following thirty or sixty days of employment. Prior to May 1, 1998, domestic employees were eligible to participate after one year of service and the attainment of age 21. The Company's contributions to this plan, and to similar plans maintained by the Company's foreign subsidiaries, were $449,000, $226,000 and $175,000 for fiscal years 1999, 1998 and 1997, respectively.

NOTE 11 -- DEFERRED COMPENSATION

In December 1995, the Company adopted the Oil-Dri Corporation of America Deferred Compensation Plan. Deferrals are no longer being made under the original plan, The Oil-Dri Corporation of America Key Employee and Directors Deferred Compensation Plan. The new plan has permitted Directors and certain management employees to defer portions of their compensation and earn interest on the deferred amounts. Effective January 1, 1999, the new plan was amended. Participants' returns are now tied to the performance of various investment elections. The compensation, which has been deferred since the inception of the original plan, has been accrued as well as earnings thereon. The Company has purchased life insurance contracts on some participants to partially fund both the original plan and the new plan.

NOTE 12 -- CONTINGENT LIABILITIES

The Company is involved in various litigation of a nature that is normal to its business. While it is impossible at this time to determine with certainty the ultimate outcome of these or other lawsuits, each lawsuit is either covered by insurance or adequate provisions have been made for probable losses with respect thereto as can best be determined at this time. Management therefore believes that none of the pending litigation will have a material adverse effect on the financial condition of the Company or on results of operations.

NOTE 13 -- LEASES

The Company's mining operations are conducted on leased or owned property. These leases generally provide the Company with the right to mine as long as the Company continues to pay a minimum monthly rental, which is applied against the per ton royalty when the property is mined. During fiscal 1997 and 1999, the Company leased 5,907 acres in Nevada for potential future development of a mineral reserve base.

The Company leases its corporate offices in Chicago, Illinois (20,000 square feet), office, production and warehouse space in Alpharetta, Georgia (26,000 square feet), office and production facilities in Kiel, Wisconsin (16,000 square feet) and office facilities in Europe. The office space in Chicago is subject to a lease expiring in 2008. The Alpharetta, Georgia lease expires in 2000, and the Kiel, Wisconsin lease expires in 2003. The facilities in Europe are leased on a year-to-year basis.

In addition, the Company leases railcars, mining equipment, data processing equipment, and office equipment. In most cases, the Company expects that, in the normal course of business, leases will be renewed or replaced by other leases. Prior to exiting the transportation business, the Company leased tractors and trailers.

NOTE 13 -- LEASES (CONTINUED)

The following is a schedule by year of future minimum rental requirements under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of July 31, 1999:

	(IN THOUSANDS)
2000	$ 3,468
2001	2,394
2002	1,301
2003	1,116
2004	2,549
Later years	4,127
	$14,955

The following schedule shows the composition of total rental expense for all operating leases, including those with terms of one month or less which were not renewed as of the years ended July 31:

	1999	1998	1997
	(IN THOUSANDS)		
Transportation equipment	$1,807	$2,347	$2,734
Office facilities	475	441	382
Mining properties			
Minimum	186	202	177
Contingent	410	403	361
Other	846	488	654
	$3,724	$3,881	$4,308

NOTE 14 -- OTHER CASH FLOW INFORMATION

Cash payments for interest and income taxes were as follows:

	1999	1998	1997
	(IN THOUSANDS)		
Interest	$2,879	$1,398	$1,557
Income Taxes	$3,152	$2,619	$3,997

NOTE 15 -- SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

A summary of selected information for 1999 and 1998 is as follows:

	FISCAL 1999 QUARTER ENDED				
	OCTOBER 31	JANUARY 31	APRIL 30	JULY 31	TOTAL
	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)				
Net Sales	$43,670	$47,435	$42,405	$40,475	$173,985
Gross Profit	$14,085	$15,208	$13,015	$12,551	$ 54,859
Net Income	$ 2,028	$ 2,276	$ 1,195	$ 1,677	$ 7,176
Net Income Per Share					
Basic	$ 0.34	$ 0.39	$ 0.21	$ 0.29	$ 1.23
Dilutive	$ 0.34	$ 0.38	$ 0.20	$ 0.28	$ 1.20
Dividends Per Share					
Common	$ 0.08	$ 0.09	$ 0.09	$ 0.09	$ 0.35
Class B	$ 0.06	$0.0675	$0.0675	$0.0675	$ 0.2625
Company Common Stock Price Range:					
High	$ 13.75	$ 15.50	$ 15.94	$ 16.38	
Low	$ 10.81	$ 12.50	$ 14.25	$ 13.63	

	FISCAL 1998 QUARTER ENDED				
	OCTOBER 31	JANUARY 31	APRIL 30	JULY 31	TOTAL
	(IN THOUSANDS EXCEPT PER SHARE AMOUNTS)				
Net Sales	$39,749	$40,912	$38,334	$41,257	$160,252
Gross Profit	$11,898	$13,296	$12,186	$12,776	$ 50,156
Net Income (Loss)	$ 1,872	$ (97)	$ 1,389	$ 1,559	$ 4,723
Net Income (Loss) Per Share					
Basic	$ 0.30	$ (0.02)	$ 0.23	$ 0.26	$ 0.77
Dilutive	$ 0.30	$ (0.02)	$ 0.23	$ 0.26	$ 0.77
Dividends Per Share					
Common	$ 0.08	$ 0.08	$ 0.08	$ 0.08	$ 0.32
Class B	$ 0.06	$ 0.06	$ 0.06	$ 0.06	$ 0.24
Company Common Stock Price Range:					
High	$ 18.13	$ 17.88	$ 17.00	$ 16.00	
Low	$ 16.38	$ 14.13	$ 14.63	$ 13.63	

INDEPENDENT AUDITOR'S REPORT

STOCKHOLDERS AND BOARD OF DIRECTORS
Oil-Dri Corporation of America

We have audited the consolidated balance sheets of OIL-DRI CORPORATION OF AMERICA AND SUBSIDIARIES as of July 31, 1999 and 1998, and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended July 31, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of OIL-DRI CORPORATION OF AMERICA AND SUBSIDIARIES as of July 31, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended July 31, 1999 in conformity with generally accepted accounting principles.

BLACKMAN KALLICK BARTELSTEIN, LLP

Chicago, Illinois

September 10, 1999

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this Item is (except for information set forth below concerning the Board of Directors and information in Part I, hereof, concerning executive officers) contained in the Registrant's Proxy Statement for its 1999 Annual Meeting of stockholders ("Proxy Statement") under the caption "1. Election of Directors" and is incorporated herein by this reference.

BOARD OF DIRECTORS

Richard M. Jaffee
Chairman

Daniel S. Jaffee
President and Chief Executive Officer

J. Steven Cole(1)
President, Cole & Associates,
Chairman, Sav-A-Life Systems, Inc.

Arnold W. Donald
Senior Vice-President, Monsanto Company

Ronald B. Gordon
Chief Executive Officer, Beiersdorf North America

Edgar D. Jannotta
Senior Director, William Blair & Company, LLC

Joseph C. Miller
Vice-Chairman

Paul J. Miller
Partner, Sonnenschein Nath & Rosenthal

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

Allan H. Selig(2)
President and Chairman, Selig Lease Company,
Commissioner of Major League Baseball

(1) Audit Committee Chair
(2) Compensation Committee Chair

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is contained in the Registrant's Proxy Statement under the captions "Executive Compensation," "Report of the Compensation and the Stock Option Committees of Oil-Dri Corporation of America on Executive Compensation," "Compensation Committee Interlocks and Insider Participation" and "Performance Graph" and is incorporated herein by this reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required by this Item is contained in the Registrant's Proxy Statement under the captions "General -- Principal Stockholders" and "Security Ownership of Management" and is incorporated herein by this reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Item is contained in the Registrant's Proxy Statement under the caption "Compensation Committee Interlocks and Insider Participation" and is incorporated herein by this reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a)(1) The following financial statements are contained herein.

Consolidated Balance Sheets as of July 31, 1999 (audited) and July 31, 1998 (audited).

Consolidated Statements of Income for the fiscal years ended July 31, 1999 (audited), July 31, 1998 (audited) and July 31, 1997 (audited).

Consolidated Statements of Stockholders' Equity for the fiscal years ended July 31, 1999 (audited), July 31, 1998 (audited) and July 31, 1997 (audited).

Consolidated Statements of Cash Flows for the fiscal years ended July 31, 1999 (audited), July 31, 1998 (audited) and July 31, 1997 (audited).

Notes to Consolidated Financial Statements.

Independent Auditor's Report.

(a)(2) The following financial statement schedules are contained herein:

Independent Auditor's Report on Schedules.

Schedules to Financial Statements, as follows:

Schedule II -- Valuation and Qualifying Accounts, years ended July 31, 1999, 1998 and 1997.

(a)(3) The following documents are exhibits to this Report:

(3)(a)(1)	Articles of Incorporation of the Registrant, as amended.
(3)(b)(2)	Bylaws of the Registrant, as amended June 16, 1995.
(10)(c)(1)(3)	Agreement ("Clorox Agreement") dated January 12, 1981 between The Clorox Company and the Registrant, as amended. (Confidential treatment of certain portions of this Exhibit has been granted.)
(10)(c)(2)(4)	Amendment to Clorox Agreement dated March 3, 1989, as accepted by the Registrant on March 20, 1989, between The Clorox Company and the Registrant. (Confidential treatment of certain portions of this Exhibit has been granted.)
(10)(c)(3)(5)	Amendment to Clorox Agreement dated February 14, 1991, between The Clorox Company and the Registrant. (Confidential treatment of certain portions of this Exhibit has been granted).
(10)(d)(6)	Description of 1987 Executive Deferred Compensation Program.*
(10)(e)(1)(7)	Salary Continuation Agreement dated August 1, 1989 between Richard M. Jaffee and the Registrant ("1989 Agreement").*
(10)(e)(2)(8)	Extension and Amendment, dated October 9, 1998, to the 1989 Agreement.*
(10)(f)(9)	1988 Stock Option Plan.*
(10)(g)(10)	Note Agreement, dated April 5, 1991, between the Registrant and Teacher's Insurance and Annuity Association of America regarding $8,000,000 9.38% Senior Notes due November 15, 2001.
(10)(h)(11)	Note Agreement, dated as of April 15, 1993, between the Registrant and Teacher's Insurance and Annuity Association of America regarding $6,500,000 7.17% Senior Notes due August 15, 2004.

(10)(i)(12)	Credit Agreement, dated as of September 21, 1994, between the Registrant and Harris Trust and Savings Bank regarding $5,000,000 7.78% Term Loan Note and $5,000,000 Revolving Credit Note.
(10)(j)(13)	The Oil-Dri Corporation of America Deferred Compensation Plan adopted November 15, 1995 and related resolution, as amended and restated effective January 1, 1999.*
(10)(k)(14)	Oil-Dri Corporation of America 1995 Long Term Incentive Plan as amended through July 31, 1998.*
(10)(l)	$10,000,000 unsecured line of credit agreement dated as of July 25, 1996 between the Registrant and Harris Trust and Savings Bank incorporated by reference to Exhibit 10(l) to the Registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 1996.
(10)(m)(15)	$25,000,000 Note Purchase Agreement dated as of April 15, 1998 between the Registrant and Teachers Insurance and Annuity Association of America and Cigna Investments, Inc.
(10)(n)(16)	Oil-Dri Corporation of America Outside Director Stock Plan effective June 9, 1998.*
(10)(o)(17)	$15,000,000 unsecured line of credit agreement dated January 29, 1999 between the Company and Harris Trust and Savings Bank.
(10)(p)(18)	$15,000,000 unsecured, uncommitted line of credit agreement dated January 29, 1999 between the Company and Harris Trust and Savings Bank.
(10)(q)(19)	Split Dollar Life Insurance Agreements dated February 26, 1999.*
(10)(r)	Agreement ("Church & Dwight Agreement") dated May 19, 1999 between Church & Dwight Co., Inc. and the Registrant. (Confidential treatment of certain portions of this Exhibit has been granted.)
(11)	Statement re: Computation of Income per Share.
(21)	Subsidiaries of the Registrant.
(23)	Consent of Blackman Kallick Bartelstein, LLP.
(27)	Financial Data Schedule.

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* Management contract or compensatory plan or arrangement.

(1) Incorporated by reference to Exhibit (4.1) to the Registrant's Registration Statement on Form S-8 (Registration No. 333-57625), made effective on June 24, 1998.

(2) Incorporated by reference to Exhibit (3)(b) to the Registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 1995.

(3) Incorporated by reference to Exhibit 10(f) to the Registrant's Registration Statement on Form S-2 (Registration No. 2-97248) made effective on May 29, 1985.

(4) Incorporated by reference to Exhibit 10(e)(2) to the Registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 1989.

(5) Incorporated by reference to Exhibit 10(e)(3) to the Registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 1991.

(6) Incorporated by reference to Exhibit 10(f) to the Registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 1988.

(7) Incorporated by reference to Exhibit 10(g) to the Registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 1989.

(8) Incorporated by reference to Exhibit (10)(n) to the Registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 1998.

(9) Incorporated by reference to Exhibit 4(a) to the Registrant's Registration Statement on Form S-8, filed June 30, 1989, Registration No. 33-29650.

(10) Incorporated by reference to Exhibit 10(h) to the Registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 1991.

(11) Incorporated by reference to Exhibit 10(i) to the Registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 1993.

(12) Incorporated by reference to Exhibit 10(i) to the Registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 1994.

(13) Incorporated by reference to Exhibit 10(j) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended January 31, 1999.

(14) Incorporated by reference to Exhibit 10(k)(I) to the Registrant's Report on Form 8-K dated April 20, 1998.

(15) Incorporated by reference to Exhibit (10)(m) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended April 30, 1998.

(16) Incorporated by reference to Exhibit (10)(n) to the Registrant's Annual Report on Form 10-K for the fiscal year ended July 31, 1998.

(17) Incorporated by reference to Exhibit (10)(o) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended January 31, 1999.

(18) Incorporated by reference to Exhibit (10)(p) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended January 31, 1999.

(19) Incorporated by reference to Exhibit (10)(q) to the Registrant's Quarterly Report on Form 10-Q for the quarter ended January 31, 1999.

The Registrant agrees to furnish the following agreements upon the request of the Commission:

Exhibit 4(b) Letter of Credit Agreement, dated as of October 1, 1988 between Harris Trust and Savings Bank and Blue Mountain Production Company in the amount of $2,634,590 in connection with the issuance by Town of Blue Mountain, Mississippi of Variable/Fixed Rate Industrial Development Revenue Bonds, Series 1988 B (Blue Mountain Production Company Project) in the aggregate principal amount of $2,500,000 and related Indenture of Trust, Lease Agreement, Remarketing Agreement and Guaranties.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OIL-DRI CORPORATION OF AMERICA
(Registrant)

By /s/ DANIEL S. JAFFEE

Daniel S. Jaffee,
President and Chief Executive Officer Director

Dated: October 20, 1999

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

/s/ RICHARD M. JAFFEE Richard M. Jaffee Chairman of the Board of Directors	October 20, 1999
/s/ MICHAEL L. GOLDBERG Michael L. Goldberg Executive Vice President Chief Financial Officer and Secretary Principal Financial Officer	October 20, 1999
/s/ JAMES F. JAPCZYK James F. Japczyk Corporate Controller Principal Accounting Officer	October 20, 1999
/s/ J. STEVEN COLE J. Steven Cole Director	October 20, 1999
/s/ ARNOLD W. DONALD Arnold W. Donald Director	October 20, 1999
/s/ RONALD B. GORDON Ronald B. Gordon Director	October 20, 1999

/s/ EDGAR D. JANNOTTA Edgar D. Jannotta Director	October 20, 1999
/s/ JOSEPH C. MILLER Joseph C. Miller Director	October 20, 1999
/s/ PAUL J. MILLER Paul J. Miller Director	October 20, 1999
/s/ HAYDN H. MURRAY Haydn H. Murray Director	October 20, 1999
/s/ ALLAN H. SELIG Allan H. Selig Director	October 20, 1999

INDEPENDENT AUDITOR'S REPORT ON SCHEDULES

Board of Directors
Oil-Dri Corporation of America
Chicago, Illinois

In connection with our audit of the consolidated financial statements of OIL-DRI CORPORATION OF AMERICA AND SUBSIDIARIES as of July 31, 1999 and 1998 and for each of the three years in the period ended July 31, 1999, which report thereon dated September 10, 1999, is incorporated by reference in this Annual Report on Form 10-K, we also examined the financial statement schedules listed in the accompanying index at Item 14(A)(2). In our opinion, these financial statement schedules present fairly, when read in conjunction with the related consolidated financial statements, the financial data required to be set forth therein.

Blackman Kallick Bartelstein, LLP

September 10, 1999

OIL-DRI CORPORATION OF AMERICA AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS* CHARGED TO COSTS AND EXPENSES	DEDUCTIONS**	BALANCE AT END OF PERIOD
	(IN THOUSANDS)			
Allowance for doubtful accounts:				
Year Ended July 31, 1999	$351	$ 18	$ 11	$358
Year Ended July 31, 1998	$261	$201	$111	$351
Year Ended July 31, 1997	$226	$125	$ 90	$261

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* Includes transfers from Restructuring Reserve.

** Net of recoveries.

EXHIBIT INDEX

EXHIBIT NUMBER	
(10)(r)	Church & Dwight Agreement
(11)	Computation of Net Income per share
(21)	Subsidiaries of the Registrant
(23)	Consent of Blackman Kallock Bartelstein, LLP
(27)	Financial Data Schedule

EXHIBIT (10)(r)

EXCLUSIVE SUPPLY AGREEMENT

This Exclusive Supply Agreement is made as of May 19, 1999 (this "Agreement"), by and between Oil-Dri Corporation of America, a Delaware corporation ("Oil-Dri"), and Church & Dwight Co., Inc., a Delaware corporation ("Buyer").

WHEREAS, Buyer is willing to purchase all of its requirements of traditional coarse cat litter including, without limitation, the traditional coarse cat litter to be marketed by Buyer with, under or featuring the name "Arm & Hammer" and/or baking soda or any variant thereof, and any improvement or modification of that product (the "Product") from Oil-Dri, and Oil-Dri is willing to supply Buyer with such requirements, all in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the above premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Purchase and Sale of the Product.

(a) Buyer agrees that, commencing on the date hereof and subject to the terms and conditions of this Agreement, Oil-Dri will be its sole and exclusive supplier of all of its requirements in the United States for the Product during each year of the Term (as defined in Section 2 below). Notwithstanding the foregoing, Buyer may acquire a limited supply of alternate clay litter product to test for internal purposes only (i.e., not to be sold to consumers).

(b) Oil-Dri agrees, subject to the terms and conditions of this Agreement, to supply all of Buyer's requirements for the Product.

(c) The parties acknowledge and agree that this Agreement is intended and shall apply to Buyer's Affiliates (as defined below) and that any reference herein to Buyer refers to Buyer and Buyer's Affiliates as one entity. Buyer will cause Buyer's Affiliates to purchase from Oil-Dri, and Oil-Dri will sell to Buyer's Affiliates, all of the requirements of Buyer's Affiliates for the Product, in accordance with, and subject to, the terms, provisions, restrictions and conditions of this Agreement that are applicable to Buyer's purchase from Oil-Dri, and Oil-Dri's sale to Buyer, of Buyer's requirements for the Product. As used herein, the term "Buyer's Affiliates" shall mean any person or entity, now existing or hereafter organized, created or acquired, that directly or indirectly, controls, is controlled by, or is under common control with, Buyer.

2. Term of Agreement.

(a) The term of this Agreement shall be twenty (20) years commencing on the date hereof and ending on May 19, 2019 (the "Initial Term"), unless earlier terminated pursuant to Section 17 hereof.

(b) Upon expiration of the Initial Term, this Agreement shall automatically renew for consecutive five (5) year periods (each, a "Renewal Term" and, together with the Initial Term, the "Term") unless either party provides written notice to the other party of its intent not to renew this Agreement at least eighteen (18) months prior to the expiration of the Initial Term or the then current Renewal Term.

3. Quantity Guaranty. Oil-Dri will guaranty the availability of eighty thousand (80,000) tons (or three million eight hundred thousand (3,800,000) stat cases) of the Product per year; provided, however, that Oil-Dri will guarantee the following: (i) commencing on the date packaging and supplies in sufficient quantity are made available by Buyer to Oil-Dri, the availability of up to eight thousand (8,000) tons (or three hundred eighty thousand (380,000) stat cases) of the Product per thirty-one (31) day period, for three (3) consecutive thirty-one (31) day periods, commencing no earlier than August 1, 1999, but not to exceed twenty thousand (20,000) tons (or nine hundred fifty-two thousand (952,000) stat cases) in the aggregate for such ninety-three (93) day total period; and (ii) a greater quantity than eighty thousand (80,000) tons (or three million eight hundred thousand (3,800,000) stat cases) of the Product per year, or such other amount as agreed to by the parties pursuant to this Section 3, upon six (6) months' prior written notice thereof from Buyer; provided, however, that (a) Buyer shall first agree in writing to a submission from Oil-Dri for capital investment recapture from Buyer to the extent Oil-Dri reasonably deems such additional capital investment necessary to supply such greater quantity, as generally described in Section 11 below; and (b) the "Annual Volume Requirement" set forth in Section 11(c) below shall increase, from time to time, on a ton-for-ton basis by the amount of each such increase in the quantity guaranty set forth in this Section 3. The term "stat case" means a case with a standard 42 lb. weight.

4. [CONFIDENTIAL]

5. Quality.

(a) The quality of the Product shall meet or exceed the specifications jointly agreed to by Oil-Dri and Buyer, which specifications are attached hereto as Exhibit A (the "Specifications"). The Specifications will be subject to change from time to time during the Term by written agreement signed by Oil-Dri and Buyer, and any such changes in the Specifications shall be noted on a revised Exhibit A, signed and dated by both Oil-Dri and Buyer; provided, however, it is understood and agreed that Oil-Dri will agree to changes in the Specifications proposed by Buyer subject to (a) Oil-Dri's capability to handle such changes and (b) Buyer reimbursing Oil-Dri for and assuming increases in costs to Oil-Dri resulting from such changes in Specifications. Alternatively, in the event that changes in Specifications result in decreases in costs to Oil-Dri, Oil-Dri will pass such cost savings on to Buyer in a manner mutually agreed by the parties in good faith.

(b) Notwithstanding the foregoing, it is understood and agreed that Specifications for any Product made from Nevada Clay will be developed in good faith by Oil-Dri and Buyer and shall be agreed to in writing as an addendum to Exhibit A hereto, except it is understood that such Specifications shall include bulk density (ASTM No. E727-91) in the range of 27-35 pounds per cubic foot and water absorbency (Federal Spec P-A1056B) in the range of 70%-100% (ml/g).

6. [CONFIDENTIAL]

7. Price Adjustments:

(a) The Price may be adjusted on an annual basis by Oil-Dri providing written notice thereof to Buyer based on increases determined in accordance with the annual formula increase mechanisms set forth on Exhibits B and C attached hereto and made part hereof (collectively, the "Adjustment Mechanisms"). It is agreed that the Adjustment Mechanisms will (i) apply on a going-forward basis only, (ii) impact the then current Base Price only and (iii) not result in any Price adjustments until January 1, 2001. Notwithstanding the foregoing, in the event that any increase in the Price requested by Oil-Dri is based on an increase in the Producer Price Index component of the Adjustment Mechanism (separate and apart from the fuel price increase component of the Adjustment Mechanism) equal to or greater than two percent (2%) in any calendar year, Buyer shall have the right to have an independent third party (reasonably acceptable to Oil-Dri) audit the applicable records of Oil-Dri at a time and place reasonably agreeable to the parties. Such audit shall be for the limited purpose of confirming that Oil-Dri's costs of producing the Product on a per case basis increased on a percentage basis by an amount equal to or greater than the increase in the Producer Price Index. In the event of such audit and as a condition thereto, Buyer and such third party auditor will agree in writing to a confidentiality clause with respect thereto to protect the confidentiality of Oil-Dri's information. Such third party auditor will also agree not to share any information with Buyer other than to confirm the accuracy of the aforesaid percentage with Buyer. In the event Oil-Dri does not request a price increase based on a Producer Price Index increase equal to or greater than two percent (2%) as aforesaid, no such audit right will exist. Any adjustment to the Base Price pursuant to the Adjustment Mechanisms will be made as of January 1 in each calendar year during the Term (commencing January 1, 2001) and will be firm for such calendar year.

(b) Oil-Dri reserves the right to change the Base Price and Adjustments costs at times other than as described in clause (a) above in the event an unusual or cataclysmic event occurs. For example, if, during the Term, the Producer Price Index component of the Adjustment Mechanism or cost of fuel component of the Adjustment Mechanism increases during any calendar year by ten percent (10%) or more, or in aggregate increments of an additional ten percent (10%) or more thereafter in such calendar year, Oil-Dri reserves the right to increase the Base Price at each such time, effective as of the first day of the next following calendar quarter.

(c) In the event that Buyer alters the Specifications or additives, including, without limitation, as a result of a different or unexpected application that increases Oil-Dri's costs, Oil-Dri reserves the right to increase the Base Price, from time to time, to cover such costs. In the event that Buyer alters the Specifications or additives and the result thereof is a decrease in Oil-Dri's costs, Oil-Dri shall pass such cost savings along to Buyer in a manner mutually agreed by the parties in good faith.

8. Price Adjustments for Technological Innovation.

(a) In the event that fundamental technological innovations (i.e., real innovation and not aggressive competition) occur in the mining and/or processing of clay which render Oil-Dri's prices non-competitive and Buyer so notifies Oil-Dri of same in writing (specifying in reasonable detail the reasons therefor), Oil-Dri will review its circumstances to determine if additional equipment can be secured to reduce its cost for production of the Product. Should Oil-Dri be unable to reduce its Price to Buyer by exploiting the technological breakthrough or otherwise, Buyer shall have the right to purchase all, but not less than all, of its requirements for the Product from a third party (i) subject to Oil-Dri's right of last-offer in such circumstances (as described in Section 8(c) below) to reduce prices to Buyer and (ii) only after exhausting Oil-Dri's existing inventory of the Product and payment by Buyer of Oil-Dri's unamortized cost of equipment and plant modifications for the Product.

(b) For clarification purposes, it is understood by both Buyer and Oil-Dri that Section 8(a) contemplates a true technological change and not a competitive situation caused by an alternate source whose production capacity and business situation renders it aggressive in its pricing.

(c) In the event Buyer is able to secure in writing a bona fide offer for lower pricing for all, but not less than all, of its requirements for the Product from a third party employing fundamental technological innovations (discovered after the date hereof) in the mining and/or processing of clay for the Product as provided in Section 8(a) above, Oil-Dri's right of last-offer may be exercised in accordance with the following procedures: Buyer shall provide a copy of such written offer and a written description of the applicable fundamental technological innovation (to the extent such innovation is not a trade secret of a third party) to Oil-Dri. Oil-Dri shall then have one hundred twenty (120) days to determine if it can meet the pricing set forth in such written offer. If Oil-Dri notifies Buyer within such one hundred twenty (120) day period than it can meet such pricing, Buyer shall have no right to purchase Product from any third party and this Agreement shall continue in full force and effect.

9. Confidential.

10. Payment, Shipment and Acceptance Terms.

(a) Payment for the Price of the Product (and any and all other charges described in this Agreement) shall be made in United States Dollars within thirty (30) days from the date of invoice (i.e., date of Oil-Dri's shipment of the Product except as set forth below).

(b) The Product shall be delivered to Buyer F.O.B. Oil-Dri's Georgia plant; provided, that any Product supplied from the Western Plant shall be delivered to Buyer F.O.B. Oil-Dri's Western Plant location. Buyer shall pay all freight and shipping costs. Possession and risk of loss shall pass to Buyer upon delivery of the Product to Buyer's carrier at the point of delivery to such carrier.

(c) The Product will be shipped on a "first-in, first-out" basis. In the event that the Product remains in Oil-Dri's warehouse longer than thirty (30) days, Oil-Dri shall have the option to invoice Buyer for the Product at any time after such thirty (30) day period.

(d) Buyer may inspect the Product at the destination. Buyer shall be deemed to have accepted the Product delivered to Buyer hereunder unless, within one (1) year after Oil-Dri's shipment of the Product, Buyer provides Oil-Dri with written notice that the Product is defective, damaged (other than damage sustained in transit or due to handling or use) or non-conforming. In such event, Buyer's damages shall be limited, except in instances of Oil-Dri's gross negligence, to Oil-Dri's repair or replacement of any such defective, damaged or non-conforming Product pursuant to the warranty set forth in Section 15 hereof.

11. Capital Investments Unique to Supply of the Product.

(a) Confidential

(b) To the extent that Oil-Dri desires any capital investment recapture from Buyer for the purposes of improving the quality of the Product or reducing Oil-Dri's costs, building the Western Plant or for plant modifications, specialized equipment costs, dedicated warehouse costs or similar projects, Buyer shall be entitled to (a) review a submission from Oil-Dri with respect to such capital investment (which shall reflect amortization over a useful life not in excess of ten (10) years) and (b) the prior right of approval with respect to such capital investment.

(c) If Buyer's annual purchase volume (the "Annual Volume Requirement") of the Product does not reach or exceed fifteen thousand (15,000) tons for the calendar year 2001 and for each calendar year thereafter during the Term, Buyer shall pay Oil-Dri its unamortized capital investment costs of the items set forth on Exhibit D attached hereto, plus any additional amount for capital investment costs incurred by Oil-Dri. It is understood and agreed that the Annual Volume Requirement may be increased from time to time in accordance with Section 3 above.

12. Confidential

enhance performance). Notwithstanding the foregoing, (a) if any such additive technology becomes commonplace and is used by competitors of Oil-Dri, the "exclusivity" limitation of this Section 12 shall be revised in good faith by the parties to reflect only the additive technology that remains unique to Buyer's Product; and (b) the limitations of this Section 12 will not apply if Oil-Dri's compliance with such limitations would cause Oil-Dri, in its reasonable determination, to breach any provision of, or lose its exclusive supplier status under, any existing supply contract or obligation with a third party. Oil-Dri represents and warrants, as of the date hereof, it does not believe, and has no reason to believe, that any such third party intends to market a clay litter product using the additive technology described above of Buyer.

13. Forecasting (Production Scheduling)/ Raw Material Inventory Management. Buyer shall provide Oil-Dri with written annual, quarterly and monthly forecasts or order quantities by the fifteenth day of the immediately preceding month for the period to which such forecast(s) relate. All quantities shown in such forecasts will be arrived at in good faith, but are estimates only. Manufacture and delivery of the Products shall be made by Oil-Dri only upon written instructions submitted to Oil-Dri upon a mutually agreed upon schedule between the parties giving due regard to Oil-Dri's reasonable requirements for lead time to receive materials and schedule production and Buyer's need to maintain adequate inventories of Products.

14. Purchase and Storage of Bags and Chemical Additives.

(a) Buyer will supply bags and chemical additives to Oil-Dri for use in processing and packaging the Product. Oil-Dri will store up to three (3) months' supply of bags and chemical additives at its plants at no extra charge.

(b) It is currently anticipated that a shrinkage allowance for losses on packaging materials and chemical additives supplied by Buyer of two percent (2%) will adequately cover Oil-Dri's losses for such packaging materials and chemical additives. Any amount of shrinkage in excess of two percent (2%) relating to such packaging materials and chemical additives will be credited or reimbursed to Buyer by Oil-Dri in a manner mutually agreed by the parties in good faith.

(c) Buyer represents, warrants and covenants that none of the additives supplied to Oil-Dri for use hereunder will be considered hazardous or toxic materials under, or otherwise be in contravention of, any applicable environmental, health or safety laws, rules or regulations.

15. Warranty.

(a) THE PRODUCT SOLD BY OIL-DRI HEREUNDER IS WARRANTED TO CONFORM TO THE SPECIFICATIONS AND OIL-DRI FURTHER WARRANTS THAT IT WILL CONVEY GOOD TITLE TO THE PRODUCT, FREE AND CLEAR OF ANY SECURITY INTEREST, LIEN OR ENCUMBRANCE.

(b) EXCEPT AS EXPRESSLY STATED ABOVE, OIL-DRI MAKES NO WARRANTIES TO BUYER, OR ANY OTHER PERSON OR ENTITY, EXPRESS OR IMPLIED BY OPERATION OF LAW OR OTHERWISE, RESPECTING THE PRODUCT PURCHASED AND SOLD TO BUYER HEREUNDER; AND ALL EXPRESS OR IMPLIED

WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE, ARE HEREBY DISCLAIMED BY OIL-DRI AND EXCLUDED.

(c) IN NO EVENT SHALL OIL-DRI HAVE ANY LIABILITY TO BUYER OR ANY OTHER PERSON OR ENTITY FOR ANY CONSEQUENTIAL, INCIDENTAL OR SPECIAL LOSSES OR DAMAGES, DIRECTLY OR INDIRECTLY, ARISING FROM THE SALE, HANDLING OR USE OF THE PRODUCT, OR FROM ANY OTHER CAUSES RELATED THERETO.

16. Force Majeure. If either party cannot perform its obligations under this Agreement because of an event outside of its reasonable control, including but not limited to, acts of God; casualty; natural disaster; war; insurrection; electrical power or gas outages, shortages or service curtailment; strikes; lockouts; or any government treaty, agreement, law, act, ordinance, order, rule or regulation which restricts, prevents or prohibits the manufacture or sale of the Product (any such event, a "Force Majeure Event"), then that party shall promptly notify the other party of the occurrence of such an event and while the event continues, the performance of both parties shall be suspended, except for Buyer's payment obligations under this Agreement for the Product shipped to Buyer prior to the occurrence of such event. During any period in which Oil-Dri is unable to perform its obligations hereunder arising from any of such events, Buyer may obtain the type of the Product so affected from alternative sources necessary to meet all of Buyer's requirements during the period such inability exists. After such event has ended, the parties' respective obligations hereunder shall immediately resume. Notwithstanding the aforementioned, in the event either party is unable to perform its obligations for a period of six (6) consecutive months because of a Force Majeure Event, the other party shall have the right to terminate this Agreement upon thirty (30) days prior written notice; provided, however, that Buyer shall not have such right to terminate if a Force Majeure Event renders Oil-Dri unable to supply all of Buyer's requirements for the Product as provided herein and Oil-Dri elects to pay any per case cost differential (in excess of the Price) incurred by Buyer in obtaining the applicable necessary amount of Product from an alternate source after the aforesaid six (6) month period until such event has ended.

17. Term and Termination:

(a) This Agreement may be terminated at any time prior to the expiration of the Term as follows:

(i) by mutual consent of Oil-Dri and Buyer;

(ii) by Oil-Dri in the event that (A) Buyer fails to pay the Price for the Product delivered by Oil-Dri to Buyer hereunder as and when the same becomes due and payable in accordance with the terms hereof; provided, however, that Oil-Dri shall first give Buyer ten (10) business days' written notice thereof and opportunity to cure within such time; or (B) Buyer applies for or consents to the appointment of a receiver, trustee or liquidator for all or a substantial part of its assets; admits in writing its inability to pay its debts generally as they mature; makes a general assignment for the benefit of creditors; is adjudicated a bankrupt, submits a petition or an answer seeking an arrangement with creditors; takes advantage of any insolvency law except as a creditor; submits an answer admitting the material allegations of a petition in a bankruptcy or insolvency proceeding; has an order, judgment or decree entered by any court of competent jurisdiction approving a petition seeking reorganization of Buyer or appointing a receiver, trustee or liquidator for Buyer, or for all or a substantial part of its assets and such order, judgment or decree shall continue unstayed and in effect for a period of ninety (90) consecutive days; or files a voluntary petition in bankruptcy or fails to remove an involuntary petition in bankruptcy filed against it within ninety (90) consecutive days of the filing thereof;

(iii) by either Oil-Dri or Buyer in the event that the other party materially breaches any of its material obligations under this Agreement and such breach continues uncured for a period of forty-five (45) days after written notice thereof to such other party; provided, however, to prevent harm to the party terminating the Agreement, the party so terminating may, at its option, require the other party to perform under this Agreement for a period of up to twelve (12) months unless this Agreement otherwise is terminated or expires earlier by its terms; or

(iv) by Buyer upon twelve (12) months written notice to Oil-Dri in the event Buyer ceases marketing or selling the Product and all other coarse cat litter products for any reason (other than a sale of Buyer's business or other change-in-control event including, without limitation, sale of all or substantially all assets, sale of voting control of stock or merger); provided, however, that (A) Buyer shall reimburse Oil-Dri for the unamortized value of its capital investment undertaken for the production of the Product as described in Section 11 above and (B) Buyer shall not re-enter such coarse cat litter business during the Initial Term without giving Oil-Dri the right to supply Product in accordance with the terms of this Agreement.

(b) In the event of termination under Section 17(a)(i) or Section 17(a)(iv) above, no party hereto shall have any further liability or obligation hereunder to the other (except as specifically set forth in sub-clause (B) of Section 17(a)(iv) above), but termination of this Agreement under Section 17(a)(ii) or Section 17(a)(iii) above shall be without prejudice to any rights or remedies of Oil-Dri (in the case of Section 17(a)(ii)) or the terminating party (in the case of Section 17(a)(iii)).

(c) If Buyer breaches its covenants as to the sole and exclusive nature of this Agreement pursuant to Sections 1 and 18 hereof by purchasing Product from a third party (other than as specifically permitted by Sections 1, 16 and 18(a) of this Agreement), as liquidated damages and the sole and exclusive remedy of Oil-Dri hereunder for such breach (in addition to termination by Oil-Dri under Section 17(a)(iii) above), Buyer shall pay to Oil-Dri in immediately available U.S. funds, within ten (10) business days of the end of each calendar month, a damages amount ("Damages") for each ton (or portion thereof) of Products purchased by Buyer during each calendar month of the Term (other than pursuant to this Agreement) equal to Ninety Dollars ($90.00) per ton, which Damages payment shall be accompanied by a reasonably detailed written calculation of such Damages amount (reflecting the number of tons of Product purchased by Buyer in breach hereof times Ninety Dollars ($90)) certified as true and correct by Buyer's chief financial officer. The parties agree that the Damages described above are a reasonable measure of the Damages and Oil-Dri's lost profits, particularly in view of the extreme difficulty of ascertaining actual damages in the event of a breach by Buyer of Sections 1 and 18 of this Agreement. Oil-Dri shall have the right to appoint an independent third party (reasonably acceptable to Buyer) to annually audit the books of Buyer, at a time and place reasonably agreeable to the parties, for the sole purpose of determining the number of tons purchased by Buyer from a third party during the Term. In the event of such audit and as a condition thereto, Oil-Dri and such third party auditor will agree in writing to a confidentiality clause with respect thereto to protect the confidentiality of Buyer's information. Such third party auditor will also agree not to share any information with Oil-Dri other than to confirm the amount and calculation of Damages.

18. Exclusivity.

(a) Buyer agrees that the sole and exclusive nature of this Agreement as provided in Section 1(a) above is of the essence hereof, and Buyer covenants and agrees that it will not purchase Products during the Term from any person or entity other than Oil-Dri (except as specifically permitted by Sections 1 and 16 of this Agreement). Notwithstanding the foregoing, in the event that Oil-Dri is unable to supply an amount of Product requested by Buyer, consistent with Section 13 above and within the then applicable quantity guaranty amount under Section 3 above, for a period of forty-five (45) consecutive days after written notice from Buyer to Oil-Dri (in circumstances other than as described in Section 16 above or other than because Buyer has failed to (i) supply sufficient quantities of bags and/or additives, (ii) provide for adequate transportation or (iii) otherwise arrange for the performance of any matter within its control), as an alternative to declaring a breach hereunder, then Buyer may obtain, from an alternate source, an amount of the Product (up to such quantity guaranty amount) equal to the amount that Oil-Dri is unable to supply (the "Cover Amount") until Oil-Dri is able to meet all of Buyer's requirements (up to such quantity guaranty amount). The exclusive nature of this Agreement as provided in Section 1(a) above shall resume no later than six (6) months after the time Oil-Dri is able to meet such requirements. Oil-Dri will promptly reimburse or credit, as mutually agreed by the parties, Buyer for the amount by which the per case cost to Buyer of the Cover Amount exceeds the Price; provided, Buyer agrees to exercise commercially reasonable efforts to obtain the Cover Amount at the lowest cost reasonably available. The foregoing provisions of this Section 18(a) shall be deemed Buyer's sole and exclusive remedy relating to Oil-Dri's inability to supply and Buyer's election to obtain the Cover Amount as described in this Section 18(a).

(b) The parties further agree that if there is a fundamental market shift in the raw material used for the Product (the "Shifted Product") and Oil-Dri is unable to supply such raw material on terms mutually agreeable to the parties, then Buyer shall have the right to acquire its requirements for such Shifted Product, but only such Shifted Product and not the Product, from a third party, subject to Oil-Dri's right of last-offer described in the next sentence. The term "fundamental market shift" means that the raw material used for at least twenty percent (20%) of the market for cat box fillers (including, without limitation, fuller's earth, attapulgite clay, porters creek clay, diatomite, montmorillonite and sodium bentonite) has been shifted to and replaced by a new raw material, as determined on the basis of "lbs. share" reported by Information Resources, Inc. ("IRI") or if IRI is no longer in existence or covering this market, a similar nationally recognized independent data provider covering this market. The procedure for Oil-Dri's right of last-offer with respect to the supply of Shifted Product shall be as follows: Buyer shall provide a written description (in reasonable detail) of a bona fide offer (with a copy of the offer attached) to supply Shifted Product and a written description of the Shifted Product. Oil-Dri shall then have one hundred twenty (120) days to determine if it can supply the Shifted Product at the pricing set forth in such written offer. If Oil-Dri notifies Buyer within such one hundred twenty (120) day period that it can supply the Shifted Product at such pricing level, then Buyer shall purchase all requirements for the Shifted Product from Oil-Dri, this Agreement shall be amended to reflect the addition of the Shifted Product supply hereto and this Agreement shall otherwise continue in full force and effect.

19. Assignment. Except as set forth below in this Section 19, this Agreement shall not be transferred or assigned by any party without the prior written consent of Oil-Dri and Buyer, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, each of Oil-Dri and Buyer shall require any subsequent successor or assignee (whether direct or indirect, by asset or stock purchase, merger, consolidation or otherwise) to (or of) all or substantially all of its respective business and/or assets to assume expressly and agree to perform this Agreement in the same manner and to the same extent that such party would be required to perform if no such succession or assignment had occurred. Under the circumstances described in the immediately preceding sentence, no consent to the succession or assignment of this Agreement shall be required. This Agreement shall inure to the benefit and be binding upon Oil-Dri and Buyer, their respective subsidiaries and affiliates (including, but not limited to, Buyer's Affiliates) and their respective permitted successors and assigns.

20. Amendment and Modification. This Agreement may be amended or supplemented only by the signed written agreement of both Oil-Dri and Buyer; provided, however, that Price adjustments in accordance with Sections 6 and 7 above, to the extent not requiring the agreement of the parties, shall not be deemed amendments or supplements hereto.

21. No Waiver: No waiver of any breach of any provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

22. Choice of Law. This Agreement shall be governed by the laws of the State of Illinois as to all matters, including but not limited to, matters of validity, construction, effect, performance and remedies.

23. Relationship of Parties. At all times hereunder the relationship of each party to the other shall be that of an independent contractor, and neither party shall be deemed to be a partner, joint venturer, employee, agent or legal representative of the other party. Neither party shall have authority to bind the other party in any manner.

24. Notices. All notices, requests, demands, claims and other communications hereunder will be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given on the second business day after it is sent by registered or certified mail, return receipt requested, postage prepaid, and addressed to the intended recipient as set forth below:

Notices to Buyer

Church & Dwight Co., Inc.
469 North Harrison Street
Princeton, NJ 08543
Attention: Mr. Dennis M. Moore, Vice President
Facsimile: (609) 497-7179

with a copy to:

Church & Dwight Co., Inc.
469 North Harrison Street
Princeton, NJ 08543
Attention: General Counsel
Facsimile: (609) 497-7179

Notices to Purchaser

Oil-Dri Corporation of America
410 North Michigan Avenue
Chicago, IL 60611
Attention: Mr. Daniel S. Jaffee, President and CEO
Facsimile: (312) 706-1216

with a copy to:

Vedder, Price, Kaufman & Kammholz
222 North LaSalle Street
Chicago, IL 60601-1003
Attention: Michael A. Nemeroff, Esq.
Facsimile: (312) 609-5005

Any party may send any notice, request, demand, claim or other communication hereunder to the intended recipient at the address set forth above using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail or electronic mail), but no such notice, request, demand, claim or other communication shall be deemed to have been duly given unless and until it actually is received by the intended recipient. Any party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other party notice in the manner herein set forth.

25. Confidentiality and Publicity. Except as required by law or court order or as may be required for a party to enforce its rights hereunder in a court of competent jurisdiction, the parties agree to (a) keep the terms of this Agreement confidential and (b) not disclose any terms of this Agreement to any third party. All notices to third parties and all other publicity concerning the transactions contemplated by this Agreement shall be jointly planned and coordinated by and between Buyer and Oil-Dri; provided, however, that Oil-Dri may inform customers of the existence of the supply relationship with Buyer. Neither of the parties shall act unilaterally in this regard without the prior written approval of the other; however, this approval shall not be unreasonably withheld.

26. Entire Agreement. This Agreement embodies the entire agreements and understandings of the parties with respect to the transactions contemplated hereby. This Agreement supersedes and replaces in their entirety all prior agreements and understandings between the parties with respect to such transactions.

27. No Conflict. In the event of any conflict between the terms of this Agreement and the terms of any purchase order, sales order or other communication between Oil-Dri and

Buyer with respect to the terms of delivery or any other terms and conditions, the provisions of this Agreement shall control.

28. Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

29. Indemnification.

(a) Oil-Dri will indemnify and hold Buyer harmless from and against any and all liability, loss, damages, costs or expenses which Buyer may incur, suffer or be required to pay resulting from units of the Product which do not conform to the Specifications; provided, however, such indemnity obligation will be subject to the Warranty set forth in Section 15 hereof and shall be limited to repair or replacement of non-conforming Products, except in instances of Oil-Dri's gross negligence. In any event, Oil-Dri shall have been given prompt notice of the claim and opportunity to defend against same.

(b) Buyer will indemnify and hold Oil-Dri harmless from and against any and all third party liability, loss, damages, costs or expenses which Oil-Dri may incur, suffer or be required to pay (a) by reason of its production of the Product, (b) in connection with patent and/or trademark infringement claims related to the Product, the technology or additives of Buyer; or (c) in connection with any tort, personal injury or substantially similar claims by any employee, agent or representative of Buyer for occurrences at any plant or facility of Oil-Dri; provided Buyer shall have been given prompt notice of the claim and opportunity to defend against same.

30. Insurance. During the Term, each party shall maintain, and add the other party as an additional insured on, such party's comprehensive general liability coverage including, but not limited to, products liability coverage, which insurance shall provide for not less than Three Million Dollars ($3,000,000) coverage per occurrence. Upon request not more frequently than once per year, each party shall provide the other with an insurance certificate evidencing compliance with the foregoing.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Exclusive Supply Agreement to be executed as of the date first above written.

OIL-DRI CORPORATION OF AMERICA	CHURCH & DWIGHT CO., INC.
By: --	By: ----------------------
Its: President and Chief Executive Officer	Its: ---------------------

EXHIBIT A TO EXCLUSIVE SUPPLY AGREEMENT

CONFIDENTIAL

EXHIBIT B TO EXCLUSIVE SUPPLY AGREEMENT

CONFIDENTIAL

EXHIBIT C TO EXCLUSIVE SUPPLY AGREEMENT

CONFIDENTIAL

EXHIBIT D TO EXCLUSIVE SUPPLY AGREEMENT

CONFIDENTIAL

EXHIBIT 11

OIL-DRI CORPORATION OF AMERICA
Computation of Income per Share
(in thousands except for per share amounts)

Year Ended July 31	1999	1998	1997	1996	1995
Net income available to stockholders (numerator)	$7,176	$4,723	$6,793	$3,374	$8,003
Shares Calculation (denominator)					
Average shares outstanding - basic	5,827	6,125	6,596	6,806	6,932
Effect of Dilutive Securities:					
Potential Common Stock relating to stock options	169	40	3	1	4
Average shares outstanding - assuming dilution	5,996	6,165	6,599	6,807	6,936
Net Income Per Share:					
Basic	$ 1.23	$ 0.77	$ 1.03	$ 0.50	$ 1.15
Dilutive	$ 1.20	$ 0.77	$ 1.03	$ 0.50	$ 1.15

Exhibit 21

SUBSIDIARIES OF THE REGISTRANT

Subsidiary	State or Country of Incorporation
Oil-Dri Corporation of Georgia	Georgia
Oil-Dri Production Company	Mississippi
Mounds Production Company, L.L.C.	Delaware
Oil-Dri, S.A.	Switzerland
Favorite Products Company, Ltd.	Canada
Blue Mountain Production Co.	Mississippi
Oil-Dri (U.K.) Ltd.	United Kingdom
Ochlocknee Holding Co., S.A.	Spain
Ochlocknee Mining Co., S.A.	Spain
Oil-Dri Corporation of Nevada	Nevada
Phoebe Products Company	Delaware
Mounds Management, Inc.	Delaware
B.T. Acquisition Company	Illinois

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our reports and to all references to our Firm included in or by incorporation by reference made a part of the Annual Report on Form 10-K of Oil-Dri Corporation of America for the fiscal year ended July 31, 1999 and the Registration Statement on Form S-8 relating to the 1995 Long Term Incentive Plan and the 1988 Stock Option Plan.

Blackman Kallick Bartelstein, LLP

October 19, 1999

12-MOS
JUL-31-1999
JUL-31-1999
4,362,000
1,225,000
25,723,000
(358,000)
15,165,000
53,080,000
132,479,000
(69,631,000)
133,750,000
15,939,000
38,150,000
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724,000
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2,860,000
7,176,000
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7,176,000
1.23
1.20