UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

(Mark One)

[x] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarterly Period Ended April 30, 2010

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____________ to ______________

Commission File Number 001-12622

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

Delaware (State or other jurisdiction of incorporation or organization)	36-2048898 (I.R.S. Employer Identification No.)
410 North Michigan Avenue, Suite 400 Chicago, Illinois (Address of principal executive offices)	60611-4213 (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for at least the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes o No o

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

Large accelerated filer o   Accelerated filer x   Non-accelerated filer o   Smaller reporting company o

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

Indicate the number of shares outstanding of each of the issuer’s classes of common stock as of April 30, 2010.

Common Stock – 5,232,241 Shares and Class B Stock – 1,919,476 Shares

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FORWARD-LOOKING STATEMENTS

Certain statements in this report, including, but not limited to, those under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and those statements elsewhere in this report and other documents we file with the Commission contain forward-looking statements that are based on current expectations, estimates, forecasts and projections about our future performance, our business, our beliefs, and our management’s assumptions. In addition, we, or others on our behalf, may make forward-looking statements in press releases or written statements, or in our communications and discussions with investors and analysts in the normal course of business through meetings, webcasts, phone calls, and conference calls. Words such as “expect,” “outlook,” “forecast,” “would”, “could,” “should,” “project,” “intend,” “plan,” “continue,” “believe,” “seek,” “estimate,” “anticipate,” “believe”, “may,” “assume,” variations of such words and similar expressions are intended to identify such forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Such statements are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially, including those described in Item 1A, Risk Factors, of our Annual Report on Form 10-K for the fiscal year ended July 31, 2009, which risk factors are incorporated herein by reference. Should one or more of these or other risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, intended, expected, believed, estimated, projected or planned. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except to the extent required by law, we do not have any intention or obligation to update publicly any forward-looking statements after the distribution of this report, whether as a result of new information, future events, changes in assumptions, or otherwise.

TRADEMARK NOTICE

Agsorb, Calibrin, Cat’s Pride, ConditionAde, Flo-Fre, Jonny Cat, KatKit, Oil-Dri, Pel-Unite, Perform, Poultry Guard, Pro Mound, Pure-Flo, Rapid Dry, Select, Terra-Green, and Ultra-Clear are all registered trademarks of Oil-Dri Corporation of America or of its subsidiaries. Pro’s Choice, Saular and Verge are trademarks of Oil-Dri Corporation of America. Fresh Step is a registered trademark of The Clorox Company.

PART I - FINANCIAL INFORMATION

ITEM 1. Financial Statements

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Condensed Consolidated Balance Sheets
(in thousands of dollars)
(unaudited)

ASSETS	April 30, 2010	July 31, 2009
Current Assets		
Cash and cash equivalents	**$ 21,639**	$ 11,839
Investment in securities	**3,999**	7,998
Accounts receivable, less allowance of $595 and $652 at April 30, 2010 and July 31, 2009, respectively	**26,721**	29,000
Inventories	**17,390**	17,795
Deferred income taxes	**1,080**	1,080
Prepaid repairs expense	**3,926**	4,345
Prepaid expenses and other assets	**1,637**	1,660
Total Current Assets	**76,392**	73,717
Property, Plant and Equipment		
Cost	**175,757**	169,130
Less accumulated depreciation and amortization	**(113,892)**	(109,645)
Total Property, Plant and Equipment, Net	**61,865**	59,485
Other Assets		
Goodwill	**5,162**	5,162
Trademarks and patents, net of accumulated amortization of $359 and $351 at April 30, 2010 and July 31, 2009, respectively	**627**	649
Debt issuance costs, net of accumulated amortization of $511 and $473 at April 30, 2010 and July 31, 2009, respectively	**268**	306
Licensing agreements and non-compete agreements, net of accumulated amortization of $3,548 and $3,361 at April 30, 2010 and July 31, 2009, respectively	**1,190**	1,378
Deferred income taxes	**3,894**	4,144
Other	**4,141**	4,420
Total Other Assets	**15,282**	16,059
Total Assets	**$ 153,539**	$ 149,261

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

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Condensed Consolidated Balance Sheets
(in thousands of dollars)
(unaudited)

LIABILITIES & STOCKHOLDERS' EQUITY	April 30, 2010	July 31, 2009
Current Liabilities		
Current maturities of notes payable	**$ 3,500**	$ 3,200
Accounts payable	**5,974**	5,304
Dividends payable	**1,003**	994
Accrued expenses:		
Salaries, wages and commissions	**6,291**	5,794
Trade promotions and advertising	**2,548**	2,073
Freight	**2,038**	1,073
Other	**5,122**	5,330
Total Current Liabilities	**26,476**	23,768
Noncurrent Liabilities		
Notes payable	**14,800**	18,300
Deferred compensation	**6,503**	5,892
Pension and postretirement benefits	**10,736**	10,491
Other	**1,282**	1,247
Total Noncurrent Liabilities	**33,321**	35,930
Total Liabilities	**59,797**	59,698
Stockholders' Equity		
Common Stock, par value $.10 per share, issued 7,618,991 shares at April 30, 2010 and 7,475,171 shares at July 31, 2009	**762**	747
Class B Stock, par value $.10 per share, issued 2,244,217 shares at April 30, 2010 and 2,240,201 shares at July 31, 2009	**224**	224
Additional paid-in capital	**24,851**	23,366
Restricted unearned stock compensation	**(234)**	(383)
Retained earnings	**115,579**	111,593
Accumulated Other Comprehensive Income		
Unrealized gain on marketable securities	**64**	40
Pension and postretirement benefits	**(4,439)**	(4,584)
Cumulative translation adjustment	**555**	282
	137,362	131,285
Less Treasury Stock, at cost (2,386,650 Common and 324,741 Class B shares at April 30, 2010 and 2,282,521 Common and 324,741 Class B shares at July 31, 2009)	**(43,620)**	(41,722)
Total Stockholders' Equity	**93,742**	89,563
Total Liabilities & Stockholders' Equity	**$ 153,539**	$ 149,261

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

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Condensed Consolidated Statements of Income and Retained Earnings
(in thousands, except for per share amounts)
(unaudited)

	For The Nine Months Ended April 30,	
	2010	2009
Net Sales	**$ 164,397**	$ 180,311
Cost of Sales	**(126,234)**	(142,802)
Gross Profit	**38,163**	37,509
Selling, General and Administrative Expenses	**(27,527)**	(26,711)
Income from Operations	**10,636**	10,798
Other Income (Expense)		
Interest expense	**(1,052)**	(1,453)
Interest income	**103**	321
Other, net	**304**	9
Total Other Income (Expense), Net	**(645)**	(1,123)
Income Before Income Taxes	**9,991**	9,675
Income taxes	**(2,949)**	(2,641)
Net Income	**7,042**	7,034
Retained Earnings		
Balance at beginning of year	**111,593**	105,966
Cash dividends declared and treasury stock issuances	**(3,056)**	(2,947)
Retained Earnings – April 30	**$ 115,579**	$ 110,053
Net Income Per Share		
Basic Common	**$ 1.06**	$ 1.07
Basic Class B	**$ 0.80**	$ 0.80
Diluted	**$ 0.96**	$ 0.97
Average Shares Outstanding		
Basic Common	**5,215**	5,136
Basic Class B	**1,889**	1,872
Diluted	**7,285**	7,193

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

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income
(in thousands of dollars)
(unaudited)

	For The Nine Months Ended April 30,	
	2010	**2009**
Net Income	**$ 7,042**	$ 7,034
Other Comprehensive Income:		
Unrealized gain (loss) on marketable securities	**24**	(27)
Pension and postretirement benefits	**145**	36
Cumulative translation adjustment	**274**	(770)
Total Comprehensive Income	**$ 7,485**	$ 6,273

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

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Condensed Consolidated Statements of Income and Retained Earnings
(in thousands, except for per share amounts)
(unaudited)

	For The Three Months Ended April 30,	
	2010	**2009**
Net Sales	**$ 56,259**	$ 58,053
Cost of Sales	**(43,089)**	(44,833)
Gross Profit	**13,170**	13,220
Selling, General and Administrative Expenses	**(9,369)**	(9,631)
Income from Operations	**3,801**	3,589
Other Income (Expense)		
Interest expense	**(337)**	(470)
Interest income	**29**	60
Other, net	**222**	241
Total Other Income (Expense), Net	**(86)**	(169)
Income Before Income Taxes	**3,715**	3,420
Income taxes	**(1,129)**	(1,004)
Net Income	**$ 2,586**	$ 2,416
Net Income Per Share		
Basic Common	**$ 0.39**	$ 0.37
Basic Class B	**$ 0.29**	$ 0.27
Diluted	**$ 0.35**	$ 0.33
Average Shares Outstanding		
Basic Common	**5,245**	5,149
Basic Class B	**1,897**	1,880
Diluted	**7,309**	7,187

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

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income
(in thousands of dollars)
(unaudited)

	For The Three Months Ended April 30,	
	2010	**2009**
Net Income	**$ 2,586**	$ 2,416
Other Comprehensive Income:		
Unrealized gain on marketable securities	**9**	11
Pension and postretirement benefits	**48**	12
Cumulative translation adjustment	**237**	107
Total Comprehensive Income	**$ 2,880**	$ 2,546

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

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(in thousands of dollars)
(unaudited)

	For The Nine Months Ended April 30,	
CASH FLOWS FROM OPERATING ACTIVITIES	**2010**	**2009**
Net Income	**$ 7,042**	$ 7,034
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**5,512**	5,427
Amortization of investment discount	**(8)**	(115)
Non-cash stock compensation expense	**252**	353
Excess tax benefits for share-based payments	**(296)**	(189)
Deferred income taxes	**104**	5
Provision for bad debts	**(18)**	50
Loss on the sale of fixed assets	**65**	35
(Increase) Decrease in:		
Accounts receivable	**2,297**	2,623
Inventories	**405**	(2,392)
Prepaid expenses	**442**	(1,018)
Other assets	**491**	(1,042)
Increase (Decrease) in:		
Accounts payable	**1,114**	(1,424)
Accrued expenses	**1,729**	(1,676)
Deferred compensation	**611**	252
Other liabilities	**354**	384
Total Adjustments	**13,054**	1,273
Net Cash Provided by Operating Activities	**20,096**	8,307
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(7,945)**	(12,682)
Proceeds from sale of property, plant and equipment	**345**	22
Purchases of investment securities	**(17,993)**	(73,965)
Dispositions of investment securities	**22,000**	91,000
Net Cash (Used in) Provided by Investing Activities	**(3,593)**	4,375
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	**(3,200)**	(5,580)
Dividends paid	**(2,995)**	(2,760)
Purchase of treasury stock	**(2,028)**	(656)
Proceeds from issuance of treasury stock	**78**	107
Proceeds from issuance of common stock	**1,099**	272
Excess tax benefits for share-based payments	**296**	189
Other, net	**151**	(312)
Net Cash Used in Financing Activities	**(6,599)**	(8,740)
Effect of exchange rate changes on cash and cash equivalents	**(104)**	890
Net Increase in Cash and Cash Equivalents	**9,800**	4,832
Cash and Cash Equivalents, Beginning of Year	**11,839**	6,848
Cash and Cash Equivalents, April 30	**$ 21,639**	$ 11,680

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

1. BASIS OF STATEMENT PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and with instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The financial statements and the related notes are condensed and should be read in conjunction with the consolidated financial statements and related notes for the year ended July 31, 2009 included in our Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC").

The unaudited condensed consolidated financial statements include the accounts of the parent company and its subsidiaries. All significant intercompany transactions are eliminated.

The unaudited condensed consolidated financial statements reflect all adjustments, consisting of normal recurring accruals, which are, in the opinion of management, necessary for a fair presentation of the statements contained herein. Operating results for the three and the nine months ended April 30, 2010 are not necessarily an indication of the results that may be expected for the fiscal year ending July 31, 2010.

The preparation of the unaudited condensed consolidated financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions related to the reporting of assets, liabilities, revenues, expenses and related disclosures. Estimates are revised periodically. Actual results could differ from these estimates.

Under the terms of our sales agreements with customers, we recognize revenue when risk of loss and title are transferred. Upon shipment an invoice is generated that sets the fixed and determinable price. Promotional reserves are provided for sales incentives made directly to consumers and customers and are netted against sales. Sales returns and allowances are not material. Selling, general and administrative expenses include salaries, wages and benefits associated with staff outside the manufacturing and distribution functions, all marketing related costs, any miscellaneous trade spending expenses not required to be included in net sales, research and development costs, depreciation and amortization related to assets outside the manufacturing and distribution process and all other non-manufacturing and non-distribution expenses.

We evaluate our allowance for doubtful accounts utilizing a combination of a historical experience and a periodic review of our accounts receivable aging and specific customer account analysis. A customer account is determined to be uncollectible when we have completed our internal collection procedures, including termination of shipments, direct customer contact and formal demand of payment. We maintain and monitor a list of customers whose creditworthiness has diminished.

As part of our overall operations, we mine sorbent materials on property that we either own or lease. A significant part of our overall mining cost is incurred during the process of removing the overburden (non-usable material) from the mine site, thus exposing the sorbent material that is then used in a majority of our production processes. These stripping costs are treated as a variable inventory production cost and are included in cost of sales in the period they are incurred. We defer and amortize the pre-production overburden removal costs associated with opening a new mine.

During the normal course of our overburden removal activities we perform ongoing reclamation activities. As overburden is removed from a pit, it is hauled to previously mined pits and used to refill older sites. This process allows us to continuously reclaim older pits and dispose of overburden simultaneously, therefore minimizing the liability for the reclamation function.

Additionally, it is our policy to capitalize the purchase cost of land and mineral rights, including associated legal fees, survey fees and real estate fees. The costs of obtaining mineral patents, including legal fees and drilling expenses, are also capitalized. Pre-production development costs on new mines and any prepaid royalties that can be offset against future royalties due upon extraction of the mineral are also capitalized. All exploration related costs are expensed as incurred.

2. NINE MONTHS ENDED APRIL 30, 2010 RESULTS OF OPERATIONS

The results of operations for the nine months ending April 30, 2010 included an increase in cost of sales of approximately $400,000 related to an overstatement of supplies inventory at one of our manufacturing facilities as of July 31, 2009. The overstatement of inventory had accumulated over a number of years and was the result of alleged theft. This increase was offset by expected insurance proceeds, which were received in the third quarter of fiscal 2010; therefore, there was no impact to net income. We have determined that the adjustment to supplies inventory was not material to the first nine months of fiscal 2010 or any previously reported period.

3. NEW ACCOUNTING PRONOUNCEMENTS

Recently Adopted Accounting Standards

We adopted the required portions of FASB guidance issued in January 2010 under ASC 820-10 *Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements.* The guidance effective for this Quarterly Report on Form 10-Q for the quarter ending April 30, 2010, required enhanced disclosures about valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The guidance also required new disclosures about transfers in and out of Level 1 and Level 2 fair value measurements. The adoption of this guidance resulted in enhanced disclosures in Note 5 to the unaudited consolidated financial statements.

Recently Issued Accounting Standards

In December 2008, the FASB issued guidance under ASC 715-20 *Compensation – Retirement Benefits* that will require expanded disclosure for employers' pension and other postretirement benefit plan assets fair value measurements, investment policies and strategies for the major categories of plan assets and significant concentrations of risk within plan assets. The adoption of the guidance will result in enhanced disclosures in our Annual Report on Form 10-K for the fiscal year ending July 31, 2010.

In January 2010, the FASB issued guidance under ASC 820-10 *Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements* that will require new disclosures related to Level 3 fair value measurements. Adoption of this guidance will result in enhanced disclosures in our Quarterly Report on Form 10-Q for the quarter ending October 31, 2010.

4. INVENTORIES

The composition of inventories is as follows (in thousands of dollars):

	April 30, 2010	July 31, 2009
Finished goods	$ 11,177	$ 10,568
Packaging	2,854	3,474
Other	3,359	3,753
	$ 17,390	$ 17,795

Inventories are valued at the lower of cost (first-in, first-out) or market. Inventory costs include the cost of raw materials, packaging supplies, labor and other overhead costs. We perform a quarterly review of our inventory items to determine if an obsolescence reserve adjustment is necessary. The review surveys all of our operating facilities and sales groups to ensure that both historical issues and new market trends are considered. The allowance not only considers specific items, but also takes into consideration the overall value of the inventory as of the balance sheet date. The inventory obsolescence reserve values at April 30, 2010 and July 31, 2009 were $294,000 and $274,000, respectively.

5. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The inputs used to measure fair value are prioritized into one of three categories based on the lowest level of input that is significant to the fair value measurement. The categories in the hierarchy are:

Level 1:	Financial assets and liabilities whose values are based on quoted market prices in active markets for identical assets or liabilities.
Level 2:	Financial assets and liabilities whose values are based on: 1) Quoted prices for similar assets or liabilities in active markets. 2) Quoted prices for identical or similar assets or liabilities in markets that are not active. 3) Valuation models whose inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.
Level 3:	Financial assets and liabilities whose values are based on valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs may reflect estimates of the assumptions that market participants would use in valuing the financial assets and liabilities.

The following table summarizes our financial assets and liabilities that were measured at fair value by level within the fair value hierarchy:

	Fair Value at April 30, 2010 (in thousands)		
	Total	Level 1	Level 2
Assets			
Cash equivalents	$ 17,635	$ 17,635	$ --
Marketable equity securities	67	67	--
Cash surrender value of life insurance	3,816	--	3,816

Cash equivalents are classified as Level 1 of the fair value hierarchy because they were valued using quoted market prices in active markets. These cash instruments are primarily money market mutual funds.

Marketable equity securities were valued using quoted market prices in active markets and as such are classified as Level 1 in the fair value hierarchy. These securities represent stock we own in one publicly traded company and are included in other assets on the condensed consolidated balance sheet.

Cash surrender value of life insurance is classified as Level 2. The value was determined by the underwriting insurance company's valuation models, which take into account the passage of time, mortality tables, interest rates, cash values for paid-up additions and dividend accumulations. The cash surrender value represents the guaranteed value we would receive upon surrender of these policies held on key employees as of April 30, 2010. The cash surrender value of life insurance is included in other assets on the condensed consolidated balance sheet.

The carrying values of investments in securities, accounts receivable, accounts payable and notes payable approximate their fair values at April 30, 2010 and July 31, 2009, due to the short maturity and nature of those balances and are not included in the above table. The investments in securities consisted of U.S. Treasury securities carried at amortized cost. The estimated fair value of long-term debt, including current maturities, was approximately $18,220,000 and $21,523,000 as of April 30, 2010 and July 31, 2009, respectively.

We apply fair value techniques on a non-recurring basis associated with: (1) valuing potential impairment loss related to goodwill and indefinite-lived intangible assets and (2) valuing potential impairment loss related to long-lived assets.

6. PENSION AND OTHER POST RETIREMENT BENEFITS

The components of net periodic pension benefits cost of our sponsored defined benefit plans were as follows:

	PENSION PLAN (dollars in thousands)			
	Three Months Ended April 30,		Nine Months Ended April 30,	
	2010	2009	2010	2009
Components of net periodic pension benefit cost:				
Service cost	$ 284	$ 210	$ 853	$ 631
Interest cost	354	334	1,062	1,002
Expected return on plan assets	(292)	(324)	(875)	(974)
Net amortization	70	11	207	35
	$ 416	$ 231	$ 1,247	$ 694

We have funded the plan based upon actuarially determined contributions that take into account the normal cost and the minimum and maximum contribution requirements of various regulations. During the third quarter of fiscal 2010 we made a contribution of approximately $922,000 to our pension plan. See Item 3. Quantitative and Qualitative Disclosures About Market Risk for a discussion of the potential impact of financial market fluctuations on pension plan assets and future funding contributions.

The components of the net periodic postretirement health benefit cost were as follows:

	POST RETIREMENT HEALTH BENEFITS (dollars in thousands)			
	Three Months Ended April 30,		Nine Months Ended April 30,	
	2010	2009	2010	2009
Components of net periodic postretirement benefit cost:				
Service cost	$ 18	$ 15	$ 55	$ 46
Interest cost	24	23	72	70
Amortization of net transition obligation	4	4	12	12
Net actuarial loss	6	4	16	11
	$ 52	$ 46	$ 155	$ 139

Our plan covering postretirement health benefits is an unfunded plan.

Assumptions used in the previous calculations were as follows:

	PENSION PLAN		POST RETIREMENT HEALTH BENEFITS	
	For three and nine months ended:			
	April 30, 2010	April 30, 2009	April 30, 2010	April 30, 2009
Discount rate for net periodic benefit cost	6.00%	7.00%	6.00%	7.00%
Rate of increase in compensation levels	4.00%	4.00%	--	--
Long-term expected rate of return on assets	7.50%	7.50%	--	--
Measurement date	7/31/2009	7/31/2008	7/31/2009	7/31/2008
Census date	8/1/2009	8/1/2008	8/1/2009	8/1/2008

The medical cost trend assumption for postretirement health benefits was a graded rate starting at 9% and decreasing to an ultimate rate of 5% in 1% annual increments.

7. SEGMENT REPORTING

We have two operating segments: Retail and Wholesale Products and Business to Business Products. These segments are managed separately because each business has different customer characteristics. Net sales and operating income for each segment are provided below. Revenues by product line are not provided because it would be impracticable to do so. The accounting policies of the segments are the same as those described in Note 1 of the consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended July 31, 2009 filed with the SEC.

We do not rely on any operating segment asset allocations and we do not consider them meaningful because of the shared nature of our production facilities; however, we have estimated the segment asset allocations below for those assets for which we can reasonably determine. The unallocated asset category is the remainder of our total assets. The asset allocation is estimated and is not a measure used by our chief operating decision maker about allocating resources to the operating segments or in assessing their performance. The corporate expenses line includes certain unallocated expenses, including primarily salaries, wages and benefits, purchased services, rent, utilities and depreciation and amortization associated with corporate functions such as research and development, information systems, finance, legal, human resources and customer service. Corporate expenses also include the annual incentive plan bonus accrual.

	Assets	
	April 30, 2010	July 31, 2009
	(in thousands)	
Business to Business Products	$ 44,481	$ 42,581
Retail and Wholesale Products	65,854	69,300
Unallocated Assets	43,204	37,380
Total Assets	$ 153,539	$ 149,261

	Nine Months Ended April 30,			
	Net Sales		Operating Income	
	2010	2009	2010	2009
	(in thousands)			
Business to Business Products	$ 57,577	$ 58,841	$ 15,329	$ 11,991
Retail and Wholesale Products	106,820	121,470	9,101	11,908
Total	$ 164,397	$ 180,311	24,430	23,899
Less:				
Corporate Expenses			13,490	13,092
Interest Expense, net of Interest Income			949	1,132
Income before Income Taxes			9,991	9,675
Income Taxes			(2,949)	(2,641)
Net Income			$ 7,042	$ 7,034

	Three Months Ended April 30,			
	Net Sales		Operating Income	
	2010	2009	2010	2009
	(in thousands)			
Business to Business Products	$ 21,444	$ 19,992	$ 5,903	$ 4,085
Retail and Wholesale Products	34,815	38,061	2,769	4,693
Total	$ 56,259	$ 58,053	8,672	8,778
Less:				
Corporate Expenses			4,649	4,948
Interest Expense, net of Interest Income			308	410
Income before Income Taxes			3,715	3,420
Income Taxes			(1,129)	(1,004)
Net Income			$ 2,586	$ 2,416

8. STOCK-BASED COMPENSATION

We determine the fair value of stock options and restricted stock issued under our long term incentive plans as of the grant date. We recognize the related compensation expense over the period from the date of grant to the date when the award is no longer contingent on the employee providing additional service to the company.

Stock Options

Our 1995 Long Term Incentive Plan (the "1995 Plan") provided for grants of both incentive and non-qualified stock options principally at an option price per share of 100% of the fair market value of our Class A Common Stock or, if no Class A Common Stock is outstanding, our Common Stock ("Stock") on the date of grant. Stock options were generally granted with a five-year vesting period and a 10-year term. The stock options generally vest 25% two years after the grant date and 25% in each of the three following anniversaries of the grant date. This plan expired for purposes of issuing new grants on August 5, 2005. All stock issued from option exercises under this plan was from authorized but unissued stock. All restricted stock issued was from treasury stock.

The Oil-Dri Corporation of America 2006 Long Term Incentive Plan ("2006 Plan") permits the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, performance awards and other stock-based and cash-based awards. Our employees and non-employee directors are eligible to receive grants under the 2006 Plan. The total number of shares of stock subject to grants under the 2006 Plan may not exceed 937,500. Option grants covering 25,000 shares have been issued to our outside directors with a vesting period of one year and option grants covering 32,500 shares have been issued to employees with vesting similar to the vesting described above under the 1995 Plan. In addition, 95,182 restricted shares have been issued under the 2006 Plan.

The Oil-Dri Corporation of America Outside Director Stock Plan (the "Directors' Plan") provides for grants of stock options to our directors, who are considered employees, at an option price per share of 100% of the fair market value of Common Stock on the date of grant. Stock options have been granted to our directors for a 10-year term with a one year vesting period. There are 52,250 stock options outstanding as of April 30, 2010 and no stock options are available for future grants under this plan. All stock issued under this plan were from treasury stock.

Our Board announced a five-for-four stock split on June 6, 2006. The equitable adjustment of outstanding options to reflect a change in capitalization (such as a stock split) may require the recognition of incremental compensation expense if the adjustment is not determined to have been required by the actual terms of the equity incentive plan. In keeping with historical practices, we adjusted the number of shares and the option prices to equitably adjust all outstanding stock options; however, the Directors' Plan and the 1995 Plan may be deemed to have been discretionary, rather than required by the actual terms of these plans. We therefore recognized additional stock-based compensation expense as a result of the modification in the third quarter and the first nine months of fiscal 2009 of approximately $8,000 and $69,000, respectively. As of the end of fiscal 2009, all additional compensation expense had been recognized; therefore, no additional expense has been recognized in fiscal 2010.

There were no stock options granted in the first nine months of fiscal years 2010 or 2009.

Changes in our stock options during the first nine months of fiscal 2010 were as follows:

	Number of Shares (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Options outstanding, July 31, 2009	505	$ 9.14		$ 5,737
Exercised	(150)	$ 7.82		$ 1,493
Canceled	(2)	$ 11.65		$ 17
Options outstanding, April 30, 2010	353	$ 9.69	3.4	$ 3,810
Options exercisable, April 30, 2010	343	$ 9.48	3.3	$ 3,775

The amount of cash received from the exercise of stock options during the third quarter of fiscal 2010 was $827,000 and the related tax benefit was $334,000. The amount of cash received from the exercise of stock options during the third quarter of fiscal 2009 was $36,000 and the related tax benefit was $19,000. The amount of cash received from the exercise of stock options during the first nine months of fiscal 2010 was $1,177,000 and the related tax benefit was $433,000. The amount of cash received from the exercise of stock options during the first nine month of fiscal 2009 was $379,000 and the related tax benefit was $192,000.

Restricted Stock

Our 1995 Plan and 2006 Plan both provide for grants of restricted stock. The vesting schedule under the 1995 Plan has varied, but has generally been three years or less. Grants issued under the 2006 Plan to date have vesting periods between two and five years.

Under the 2006 Plan, 5,182 restricted shares of Class B Stock were granted in the first nine months of fiscal 2010. No shares of restricted stock were granted in the first nine months of fiscal 2009.

Included in our stock-based compensation expense in the third quarter of fiscal years 2010 and 2009 was $76,000 and $71,000, respectively, related to unvested restricted stock. In the first nine months of fiscal years 2010 and 2009, the expense related to the unvested restricted stock was $227,000 and $219,000, respectively.

Changes in our restricted stock outstanding during the first nine months of fiscal 2010 were as follows:

	Restricted Shares (in thousands)	Weighted Average Grant Date Fair Value
Unvested restricted stock at July 31, 2009	35	$ 15.37
Vested	(17)	$ 15.37
Granted	5	$ 15.10
Unvested restricted stock at April 30, 2010	23	$ 15.31

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with the financial statements and the related notes included herein and our consolidated financial statements, accompanying notes and Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended July 31, 2009. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from the results discussed in the forward-looking statements. Factors that might cause a difference include, but are not limited to, those discussed under "Forward-Looking Statements" and Item 1A (Risk Factors) of our Annual Report on Form 10-K for the fiscal year ended July 31, 2009.

OVERVIEW

We develop, manufacture and market sorbent products principally produced from clay minerals and, to a lesser extent, other sorbent materials. Our principal products include cat litter, industrial and automotive absorbents, bleaching clay and clarification aids, agricultural chemical carriers, animal health and nutrition and sports field products. Our products are sold to two primary customer groups, including customers who resell our products as originally produced to the end customer and those who use our products as part of their production process or use them as an ingredient in their final finished product. We have two reportable segments, the Retail and Wholesale Products Group and the Business to Business Products Group, as described in Note 7 of the unaudited condensed consolidated financial statements.

RESULTS OF OPERATIONS

NINE MONTHS ENDED APRIL 30, 2010 COMPARED TO NINE MONTHS ENDED APRIL 30, 2009

Consolidated net sales for the nine months ended April 30, 2010 were $164,397,000, a decrease of 9% from net sales of $180,311,000 in the first nine months of fiscal 2009. Net income for the first nine months of fiscal 2010 was $7,042,000, a slight increase from net income of $7,034,000 in the first nine months of fiscal 2009. Diluted net income per share for the first nine months of fiscal 2010 was $0.96 compared to $0.97 for the first nine months of fiscal 2009.

Net income for the first nine months of fiscal 2010 was negatively affected by decreased tons sold; however, increased sales of higher margin products and lower costs for packaging, freight and materials had a significant positive impact on our results. Material costs decreased due primarily to the lower cost of fuel used to dry our clay-based products and to transport raw materials. Freight costs declined due primarily to lower diesel fuel prices, which impacted our truck, rail and ocean freight distribution channels. Packaging costs declined due to price decreases in the resin and paper markets. The Business to Business Products Group experienced improved segment operating income as a greater proportion of sales from higher margin products, accompanied by lower costs, outweighed the impact of fewer tons sold. The Retail and Wholesale Products Group's segment operating income declined as a reduction in tons sold prevailed over the benefit of lower costs.

BUSINESS TO BUSINESS PRODUCTS GROUP

Net sales of the Business to Business Products Group for the first nine months of fiscal 2010 were $57,577,000, a decrease of $1,264,000, or 2%, from net sales of $58,841,000 in the first nine months of fiscal 2009. The decrease resulted primarily from a 4% decrease in tons sold for the Group; however, increased sales of higher priced products partially offset the decline in tons sold. Our co-packaged traditional coarse cat litter net sales decreased 14% with 4% fewer tons sold in the first nine months of fiscal 2010 compared to the first nine months of fiscal 2009. Net sales for the first nine months of fiscal 2010 were adversely affected by a lower net selling price; however, the net selling price increased in April 2010 under the terms of the agreement with our co-packaging partner. In addition, both the loss of a small co-packaging customer during the latter part of fiscal 2009 and a decline in the coarse cat litter market contributed to the decreased net sales and tons sold. Net sales of agricultural chemical carriers decreased 22% and tons sold decreased 20% compared to the first nine months of 2009 due primarily to the continued downturn in the agricultural chemical carriers market. Net sales of our flowability aid product were down 18% compared to the first nine months of 2009. Price competition and low levels of protein in the soybean crop, which inhibited the use of flowability aids in animal feed, drove the lower sales. Net sales of bleaching earth and fluid purification products increased 16% in the first nine months of fiscal 2010 due to 17% more tons sold. Sales in export markets improved as lower freight costs and a weaker U.S. dollar relative to certain foreign currencies during the first nine months of fiscal 2010 compared to the same period in the prior fiscal year made our products more competitive in the global marketplace. Some export markets also experienced a decline in the quality of soybean oil that resulted in increased demand for our bleaching earth products. In addition, sales of our fluid purification products used in the biodiesel industry and in palm oil processing increased compared to the first nine months of fiscal 2009. Net sales of animal health and nutrition products increased 1% in the first nine months of fiscal 2010. Increased sales of our enterosorbent products, which were introduced during fiscal 2009, were partially offset by a decline in net sales of our traditional animal health and nutrition products. Baseball-related sports products net sales increased 11% compared to the first nine months of fiscal 2009 due to customer purchases earlier in the baseball season and sales incentives.

The Business to Business Products Group's segment operating income for the first nine months of fiscal 2010 was $15,329,000, an increase of $3,338,000, or 28%, from operating income of $11,991,000 in the first nine months of fiscal 2009. This increase was driven by a combination of a greater proportion of net sales of higher margin products and lower costs. Combined freight, materials and packaging costs decreased approximately 7%. Freight costs decreased approximately 10% due primarily to lower diesel fuel prices. Packaging costs decreased approximately 7% due to lower prices for resin and paper used in packaging. Material costs were impacted by lower energy-related costs in our mining and manufacturing processes, which contributed to an approximately 7% decrease in material costs. Selling, general and administrative expenses for the Group were 3% higher due to increased personnel, market research and promotion costs associated with our upcoming launch of a new agricultural engineered granule product.

RETAIL AND WHOLESALE PRODUCTS GROUP

Net sales of the Retail and Wholesale Products Group for the first nine months of fiscal 2010 were $106,820,000, a decrease of $14,650,000, or 12%, from net sales of $121,470,000 reported in the first nine months of fiscal 2009. The net sales decline was driven by decreases in both average net selling prices and tons sold. The Group's total tons sold were down 9% compared to the first nine months of fiscal 2009. Cat litter net sales were down approximately 18% compared to the first nine months of fiscal 2009 due primarily to 11% lower tons sold. The average net selling price for cat litter also declined in part due to increased trade spending for product promotions, which were deducted from net sales. Net sales of branded cat litter decreased 29% compared to the first nine months of fiscal 2009 due primarily to 18% fewer tons sold. As discussed in our Annual Report on Form 10-K for the fiscal year ended July 31, 2009, Walmart Stores, Inc. ("Walmart") began to carry a reduced number of cat litter brands in August 2009. During the third quarter of fiscal 2010, Walmart reinstated our branded scoopable litter in a limited number of stores; however, the new store count remains materially reduced from the store count at the end of fiscal 2009. Customer loyalty to our branded cat litter and increased trade spending drove incremental sales at customers other than Walmart, which partially offset the overall sales decline. Net sales of private label cat litter decreased 6% compared to the first nine months of fiscal 2009 due to 8% fewer tons sold. Purchases by several of our larger private label customers declined due to general economic conditions and a continued overall decline in the coarse cat litter category. Industrial absorbents net sales decreased 4% compared to the first nine months of fiscal 2009 with 7% lower tons sold due primarily to weak economic conditions in the manufacturing and automotive industries.

The Retail and Wholesale Products Group's segment operating income for the first nine months of fiscal 2010 was $9,101,000, a decrease of $2,807,000, or 24%, from operating income of $11,908,000 in the first nine months of fiscal 2009. The decrease is attributed to the lower net sales described above that prevailed over a decrease of approximately 3% for the Group's combined freight, materials and packaging costs compared to the first nine months of fiscal 2009. Packaging costs decreased approximately 12% due to lower prices for resin and paper used in packaging. Freight costs decreased approximately 5% in the first nine months of fiscal 2010 due primarily to lower diesel fuel prices. Material costs increased 2% as the benefit of lower energy-related costs in our mining and manufacturing processes was more than offset by the negative cost impact of lower tons produced at some of our manufacturing facilities. Selling, general and administrative expenses for the Group decreased 2% compared to the first nine months of fiscal 2009 due primarily to a lower currency translation loss reported by our foreign operations.

CONSOLIDATED RESULTS

Our consolidated gross profit as a percentage of net sales for the first nine months of fiscal 2010 was 23% compared to 21% in the first nine months of fiscal 2009. Gross profit was positively impacted by increased sales of higher margin products and lower costs for packaging, freight, material, and fuel used in our manufacturing processes. The cost of fuel was 38% lower in the first nine months of fiscal 2010 compared to the first nine months of fiscal 2009. We use natural gas, fuel oil and coal in the manufacturing process to operate kilns that dry our clay. As described in Item 3. Quantitative and Qualitative Disclosures About Market Risk below, we have contracted for a portion of our planned fuel needs for fiscal 2010. Gross profit for the first nine months of fiscal 2010 was negatively impacted by a 12% increase in non-fuel manufacturing costs per ton produced, which include depreciation and amortization. This cost increase per ton was driven primarily by 10% fewer tons produced and increased expenditures for employee benefits and repairs. Many of the other non-fuel manufacturing costs, such as salaries and certain labor costs, and depreciation, were relatively consistent with fiscal 2009 levels, despite the reduced number of tons produced, due to their generally fixed nature.

Selling, general and administrative expenses as a percentage of net sales for the first nine months of fiscal 2010 were 17% compared to 15% in the first nine months of fiscal 2009. The discussions of the Groups' segment operating income above describe the fluctuation in the selling, general and administrative expenses that were allocated to the operating segments. The remaining unallocated corporate expenses in the first nine months of fiscal 2010 included a greater estimated annual incentive plan bonus accrual. The higher incentive bonus expense was based on performance targets that are established for each fiscal year. The increased bonus expense was partially offset by reduced spending for research and development as we moved further through the development cycle for several new products and lower costs for outside legal services.

Interest expense was $401,000 less for the first nine months of fiscal 2010 compared to the same period in fiscal 2009 due to capitalized interest expense for a new product-related capital project and continued debt reduction. Interest income was $218,000 lower in the first nine months of fiscal 2010, despite a higher average investment balance, due to a lower average interest rate.

Our effective tax rate was 30% of pre-tax income for the first nine months of fiscal 2010, compared to a 28% effective tax rate for the full year of fiscal 2009. The effective tax rate for fiscal 2010 is based on the projected composition and level of our taxable income for the year. We expect our effective tax rate for fiscal 2010 to increase compared to fiscal 2009 as our tax deduction for depletion is projected to decrease due primarily to fewer tons sold.

Total assets increased $4,278,000, or 3%, during the first nine months of fiscal 2010. Current assets increased $2,675,000, or 4%, from fiscal 2009 year end balances due primarily to increased cash and cash equivalents. This increase was partially offset by decreases in investment in securities, accounts receivable, inventories and prepaid repairs expense. The changes in current assets are described below in Liquidity and Capital Resources. Property, plant and equipment, net of accumulated depreciation, increased $2,380,000 during the first nine months of fiscal 2010 due to additions in excess of depreciation expense. Additions were primarily for land, mineral rights, replacement of machinery and other capital projects at our manufacturing facilities. During the first nine months of fiscal 2010, we acquired land and mineral rights for approximately $3,000,000 near our Georgia production plant. Other noncurrent assets decreased $777,000 from fiscal 2009 year end balances due to payments received on a lease receivable related to a co-packaging agreement, lower deferred income taxes and amortization of certain other assets.

Total liabilities increased $99,000 during the first nine months of fiscal 2010. Current liabilities increased $2,708,000, or 11%, from fiscal 2009 year end balances due primarily to increased accrued freight, accounts payable, accrued salaries, accrued trade promotions and current maturities of notes payable. Current maturities of notes payable increased as the amount reclassified from noncurrent liabilities was greater than debt payments. Lower other accrued expenses partially offset these increases. The changes in current liabilities are described below in Liquidity and Capital Resources. Noncurrent liabilities decreased $2,609,000, or 7%, from fiscal 2009 year end balances due to the reclassification of notes payable from noncurrent to current that was partially offset by higher accruals for pension and postretirement benefits and deferred compensation. The accrued pension and postretirement benefit liability was based on the most recent actuarial estimates. The increase in the deferred compensation liability was due to ongoing deferrals and accrued interest in excess of payouts.

The results of operations for the nine months ending April 30, 2010 included an increase in cost of sales of approximately $400,000 related to an overstatement of supplies inventory at one of our manufacturing facilities as of July 31, 2009. The overstatement of inventory had accumulated over a number of years and was the result of alleged theft. This increase was offset by expected insurance proceeds, which were received in the third quarter of fiscal 2010; therefore, there was no impact to net income. We have determined that the adjustment to supplies inventory was not material to the first nine months of fiscal 2010 or any previously reported period.

THREE MONTHS ENDED APRIL 30, 2010 COMPARED TO
THREE MONTHS ENDED APRIL 30, 2009

Consolidated net sales for the three months ended April 30, 2010 were $56,259,000, a decrease of 3% from net sales of $58,053,000 in the third quarter of fiscal 2009. Net income for the third quarter fiscal 2010 was $2,586,000, an increase of 7% from net income of $2,416,000 in the third quarter of fiscal 2009. Diluted net income per share for the third quarter of fiscal 2010 was $0.35 compared to $0.33 for the third quarter of fiscal 2009.

Net income for the third quarter of fiscal 2010 was positively affected by increased sales of higher margin products, lower selling, general and administrative expenses and lower cost of sales, which more than offset the decline in net sales due to fewer tons sold. The change in selling, general and administrative expenses is described in the operating segments and consolidated results discussions below. A decline in packaging costs, primarily due to price decreases in the resin and paper markets, more than offset increased freight and materials costs. Freight costs increased due to higher diesel fuel prices, which impacted our truck, rail and ocean freight distribution channels. Materials costs increased as the benefit of lower energy-related costs in our mining and manufacturing processes was offset by the negative cost impact of lower tons produced at some of our manufacturing facilities. The Business to Business Products Group's segment operating income improved due to a greater proportion of sales from higher margin products, lower costs and higher tons sold; however, segment operating income declined in the Retail and Wholesale Products Group due to fewer tons sold, a lower average net selling price and slightly higher costs.

BUSINESS TO BUSINESS PRODUCTS GROUP

Net sales of the Business to Business Products Group for the third quarter of fiscal 2010 were $21,444,000, an increase of $1,452,000, or 7%, from net sales of $19,992,000 in the third quarter of fiscal 2009. The Group benefited from a greater proportion of sales from higher margin products along with a 4% increase in tons sold. Net sales of bleaching earth and fluid purification products increased 33% with approximately 47% more tons sold in the third quarter of fiscal 2010 compared to the third quarter of fiscal 2009. Export sales improved as lower freight costs and a weaker U.S. dollar relative to certain foreign currencies during the third quarter of fiscal 2010 compared to the same period in the prior fiscal year made our products more competitive in the global marketplace. Some export markets also experienced a decline in the quality of soybean oil that resulted in increased demand for our bleaching earth products. In addition, sales of our fluid purification products used in the biodiesel industry and in palm oil processing increased compared to the third quarter of fiscal 2009. Animal health and nutrition products net sales increased 16% compared to the third quarter of fiscal 2009. Increased net sales of our enterosorbent products, which were introduced during fiscal 2009, offset lower sales of our traditional animal health and nutrition products. Baseball-related sports products sales were 15% higher compared to the third quarter of fiscal 2009 due to customer purchases earlier in the baseball season and sales incentives. These increased sales were partially offset by a 29% decrease in net sales and a 20% decrease in tons sold for our agricultural chemical carriers due to the continued downturn in the agricultural chemical carrier market. Our co-packaged traditional coarse cat litter net sales decreased 5%, although 3% more tons were sold compared to the third quarter of fiscal 2009. Net sales for the third quarter of fiscal 2010 were adversely affected by a lower net selling price; however, the net selling price increased in April 2010 under the terms of the agreement with our current co-packaging partner. The loss of a small co-packaging customer during the latter part of fiscal 2009 contributed to the decreased net sales, but the increase in tons sold to our remaining co-packaging partner more than offset the tons lost.

The Business to Business Products Group’s segment operating income for the third quarter of fiscal 2010 was $5,903,000, an increase of $1,818,000, or 45%, from operating income of $4,085,000 in the third quarter of fiscal 2009. This increase was driven by a combination of a greater proportion of net sales from higher margin products and lower costs. Combined freight, materials and packaging costs decreased approximately 3%. Material costs were impacted by lower energy-related costs in our mining and manufacturing processes, which contributed to an approximately 6% decrease in material costs. Freight costs increased approximately 3% due primarily to higher diesel fuel prices. Packaging costs also increased slightly. Selling, general and administrative expenses for the Group were down 4% compared to the third quarter of fiscal 2009. In the third quarter of fiscal 2009, costs were incurred for the launch of new animal health and nutrition products which were not incurred in the third quarter of fiscal 2010. This decrease was partially offset by higher costs in the third quarter of fiscal 2010 for personnel, market research, and technical services associated with our upcoming launch of new agricultural engineered granule products.

RETAIL AND WHOLESALE PRODUCTS GROUP

Net sales of the Retail and Wholesale Products Group for the third quarter of fiscal 2010 were $34,815,000, a decrease of $3,246,000, or 9%, from net sales of $38,061,000 in the third quarter of fiscal 2009. The net sales decline was driven by decreases in both average net selling prices and tons sold. The Group’s total tons sold were down 7% compared to the third quarter of fiscal 2009. Cat litter net sales were down approximately 16% compared to the third quarter of fiscal 2009 due primarily to 9% lower tons sold. The average net selling price declined in part due to increased trade spending for product promotions, which are deducted from net sales. Net sales of branded cat litter decreased approximately 27% compared to the third quarter of fiscal 2009 due primarily to 14% fewer tons sold. As discussed in our Annual Report on Form 10-K for the fiscal year ended July 31, 2009, Walmart Stores, Inc. (“Walmart”) began to carry a reduced number of cat litter brands in August 2009. During the third quarter of fiscal 2010, Walmart reinstated our branded scoopable litter in a limited number of stores; however, the new store count remains materially reduced from the store count at the end of fiscal 2009. Customer loyalty to our branded cat litter and increased trade spending drove incremental sales at customers other than Walmart, which partially offset the overall sales decline. Net sales of private label cat litter decreased approximately 4% in the third quarter of fiscal 2010 due to 7% fewer tons sold. Purchases by several of our larger private label customers declined we believe due to general economic conditions and a continued overall decline in the coarse cat litter category. In contrast, industrial absorbents net sales increased 5% compared to the third quarter of fiscal 2009 with 4% higher volume due primarily to increased demand from industrial distributors.

The Retail and Wholesale Products Group's segment operating income for the third quarter of fiscal 2010 was $2,769,000, a decrease of $1,924,000, or 41%, from operating income of $4,693,000 in the third quarter of fiscal 2009. The Group's combined freight, materials and packaging costs increased approximately 4% from the third quarter of fiscal 2009. Material costs increased 10% as the benefit of lower energy-related costs in our mining and manufacturing processes was more than offset by the negative cost impact of lower tons produced at some of our manufacturing facilities. Freight costs increased approximately 4% due primarily to higher diesel fuel prices. Packaging costs decreased approximately 9% due primarily to lower prices for resin and paper used in packaging. Selling, general and administrative expenses for the Group were 7% higher compared to the third quarter of fiscal 2009. Expenses increased due primarily to a currency exchange loss reported by our foreign operations in the third quarter of fiscal 2010 compared to a corresponding currency exchange gain reported in the same period of fiscal 2009.

CONSOLIDATED RESULTS

Our consolidated gross profit as a percentage of net sales for the third quarter of fiscal 2010 was 23%, the same as in the third quarter of fiscal 2009. Gross profit was positively impacted by lower costs for packaging and fuel used in our manufacturing processes. The cost of fuel was 29% lower in the third quarter of fiscal 2010 compared to the third quarter of fiscal 2009. We use natural gas, fuel oil and coal in the manufacturing process to operate kilns that dry our clay. As described in Item 3. Quantitative and Qualitative Disclosures About Market Risk below, we have contracted for a portion of our planned fuel needs for fiscal 2010. Gross profit for the third quarter of fiscal 2010 was negatively impacted by a 10% increase in non-fuel manufacturing cost per ton produced, which includes depreciation and amortization. This cost increase per ton was driven primarily by 7% fewer tons produced and increased expenditures for employee benefits and repairs. Many of the other non-fuel manufacturing costs, such as salaries and certain labor costs, and depreciation, were relatively consistent with the third quarter of fiscal 2009 levels, despite the reduced number of tons produced, due to their generally fixed nature.

Selling, general and administrative expenses as a percentage of net sales for the third quarter of fiscal 2010 were 17%, the same as for the third quarter of fiscal 2009. The discussions of the Groups' operating income above describe the fluctuation in the selling, general and administrative expenses that were allocated to the operating segments. The remaining unallocated corporate expenses in the third quarter of fiscal 2010 included lower costs for outside legal services and a lower quarterly estimated annual incentive plan bonus accrual. The quarter's incentive bonus expense was based on performance targets that are established for each fiscal year.

Interest expense was $133,000 less for the third quarter of fiscal 2010 compared to the same period in fiscal 2009 due to capitalized interest expense for a new product-related capital project and continued debt reduction. Interest income was $31,000 lower in the third quarter of fiscal 2010, despite higher average investment balances, due to a lower average interest rate.

Our effective tax rate was 30% of pre-tax income in the third quarter of fiscal 2010, compared to the 28% effective tax rate for the full year of fiscal 2009. The effective tax rate for fiscal 2010 is based on the projected composition and level of our taxable income for the year. We expect our effective tax rate for fiscal 2010 to increase compared to fiscal 2009 as our tax deduction for depletion is projected to decrease due primarily to fewer tons sold.

FOREIGN OPERATIONS

Net sales by our foreign subsidiaries during the first nine months of fiscal 2010 were $10,621,000, an increase of 4% from net sales of $10,206,000 during the first nine months of fiscal 2009. Net sales by our foreign subsidiaries represented 6% of our consolidated net sales during the first nine months of fiscal 2010, the same percentage as during the first nine months of fiscal 2009. Net sales of our Canadian subsidiary increased due to higher net sales of both industrial products and cat litter, including sales to a new customer. In addition, the Canadian Dollar was about 12% stronger on average against the U.S. Dollar for the first nine months of fiscal 2010 compared to the first nine months of fiscal 2009, which resulted in higher sales values after translation to U.S. Dollars. Partially offsetting the higher Canadian net sales was a decline in net sales of industrial absorbents by our United Kingdom subsidiary due primarily to the continued slump in the manufacturing industry in its principal market.

For the first nine months of fiscal 2010, our foreign subsidiaries reported a net loss of $152,000, compared to a net loss of $496,000 in the first nine months of fiscal 2009. The decrease in the net loss was due in part to the higher sales for our Canadian subsidiary, which more than offset the sales decline of our United Kingdom subsidiary. In addition, the currency translation loss reported by our foreign operations in the first nine months of fiscal 2010 was significantly less than the loss reported in the first nine months of fiscal 2009. The British Pound declined significantly in value compared to the U.S. Dollar during the first nine months of fiscal 2009, which resulted in a substantial currency translation loss. Partially offsetting the increases to net income was higher freight costs in Canada for a multi-year withholding tax charge on our leased railcars.

Identifiable assets of our foreign subsidiaries as of April 30, 2010 were $9,455,000 compared to $9,186,000 as of April 30, 2009. The increase is primarily due to higher cash and cash equivalents that were partially offset by lower accounts receivable, net fixed assets and inventories.

Net sales by our foreign subsidiaries during the third quarter of fiscal 2010 were $3,159,000, an increase of 1% from net sales of $3,117,000 during the third quarter of fiscal 2009. Net sales by our foreign subsidiaries represented 6% of our consolidated net sales during the third quarter of fiscal 2010 and 5% of our consolidated net sales during the third quarter of fiscal 2009. Net sales of our Canadian subsidiary increased due to higher net sales of both industrial products and cat litter, which more than offset lower net sales of industrial absorbents by our United Kingdom subsidiary due primarily to the continued slump in the manufacturing industry in its principal market. In addition, the Canadian Dollar was about 17% stronger on average against the U.S. Dollar in the third quarter of fiscal 2010 compared to the third quarter of fiscal 2009, which resulted in higher sales values after translation to U.S. Dollars.

For the third quarter of fiscal 2010, our foreign subsidiaries reported a net loss of $322,000, compared to a $63,000 net loss reported in the third quarter of fiscal 2009. The increase in the net loss was due in part to higher costs for our Canadian subsidiary, which were partially offset by lower material costs in our United Kingdom subsidiary. The higher costs in Canada included an additional freight cost for a multi-year withholding tax charge on our leased railcars. In addition, in the third quarter of fiscal 2010 we incurred a currency translation loss compared to the currency translation gain that was reported by our foreign operations in the third quarter of fiscal 2009. Compared to the U.S. Dollar, the average value of the British Pound was approximately 6% higher in the third quarter of fiscal 2010 compared to the third quarter of fiscal 2009.

LIQUIDITY AND CAPITAL RESOURCES

Our principal capital requirements include funding working capital needs, the purchasing and upgrading of real estate, equipment and facilities, funding new product development and investing in infrastructure and potential acquisitions. We principally have used cash generated from operations and, to the extent needed, issuance of debt securities and borrowings under our credit facilities to fund these requirements. Cash and cash equivalents increased $9,800,000 during the first nine months of fiscal 2010 to $21,639,000 at April 30, 2010.

The following table sets forth certain elements of our unaudited condensed consolidated statements of cash flows (in thousands):

	Nine Months Ended	
	April 30, 2010	April 30, 2009
Net cash provided by operating activities	$ 20,096	$ 8,307
Net cash (used in) provided by investing activities	(3,593)	4,375
Net cash used in financing activities	(6,599)	(8,740)
Effect of exchange rate changes on cash and cash equivalents	(104)	890
Net increase in cash and cash equivalents	$ 9,800	$ 4,832

Net cash provided by (used in) operating activities

Net cash provided by operations was $20,096,000 for the first nine months of fiscal 2010, compared to $8,307,000 for the first nine months of fiscal 2009. The increase was due primarily to changes in working capital. For the first nine months of fiscal years 2010 and 2009, the primary components of working capital that impacted operating cash flows were as follows:

Accounts receivable, less allowance for doubtful accounts, decreased $2,297,000 in the first nine months of fiscal 2010. Net sales in the last month of the third quarter in fiscal 2010 were less than net sales in the last month of the fourth quarter of fiscal 2009. Accounts receivable, less allowance for doubtful accounts, decreased $2,623,000 in the first nine months of fiscal 2009. Net sales in the third quarter of fiscal 2009 were significantly less than net sales in the fourth quarter of fiscal 2008, particularly in the comparison of the last month of each quarter. The change in both periods is also subject to timing of sales and collections and the payment terms provided to various customers. In terms of aging and days sales outstanding, our accounts receivable had improved as of April 30, 2010 compared to April 30, 2009.

Accrued expenses increased $1,729,000 in the first nine months of fiscal 2010 compared to a decrease of $1,676,000 in the first nine months of fiscal 2009. Accrued freight increased in the first nine months of fiscal 2010 compared to a decrease in the first nine months of fiscal 2009 due primarily to an increase in freight costs in the third quarter of fiscal 2010 and the timing of payments. Accrued expenses included the discretionary bonus accrual. The bonus accrual in both years decreased by the payout of the prior fiscal year's bonus accrual and increased by the current fiscal year's first nine month bonus accrual. In the first nine months of fiscal 2010, the net bonus accrual increased as the current fiscal year's bonus accrual was higher than the payout of the prior fiscal year's bonus. In contrast, in the first nine months of fiscal 2009, the net bonus accrual decreased as the current fiscal year's bonus accrual was lower than the prior year's bonus payout. In addition, the increase in the accrual for trade promotions was higher in the first nine months of fiscal 2010 due to the timing and level of promotional activities.

Accounts payable increased $1,114,000 in the first nine months of fiscal 2010 compared to a decrease of $1,424,000 in the same period in fiscal 2009. The increase in fiscal 2010 reflected a higher income tax rate and a higher accrual for the tax impact of stock option exercises. The decrease in fiscal 2009 reflected a recent decline in manufacturing fuel costs combined with fewer tons of clay processed at our plants, particularly during the last month of the fiscal 2009 third quarter. Both years were subject to normal fluctuations in the timing of payments.

Deferred compensation increased $611,000 in the first nine months of fiscal 2010 compared to an increase of $252,000 in the first nine months of fiscal 2009. The increase in both years is due to continued employee deferrals and interest on accumulated deferred compensation balances in excess of payouts.

Other assets decreased $491,000 in the first nine months of fiscal 2010 compared to an increase of $1,042,000 in the first nine months of fiscal 2009. The change in other assets included the effect of currency exchange rate fluctuations on non-cash assets held by our foreign subsidiaries. The change in the relative value of the U.S. Dollar to both the British Pound and the Canadian Dollar resulted in a small decrease in other assets in the first nine months of fiscal 2010, while in the same period in fiscal 2009 the result was a significant increase.

Prepaid expenses decreased $442,000 in the first nine months of fiscal 2010 compared to an increase of $1,018,000 in the first nine months of fiscal 2009. Prepaid repair expense decreased in the first nine months of fiscal 2010 compared to an increase in the first nine months of fiscal 2009 due to the timing of repairs and the implementation of a new process during fiscal 2009 to manage spare parts inventory. The timing of insurance premium payments also resulted in an increase in prepaid expenses in both years.

Inventories decreased $405,000 in the first nine months of fiscal 2010 compared to an increase of $2,392,000 in the same period in fiscal 2009. Packaging inventories decreased in the first nine months of fiscal 2010 primarily due to lower sales requirements and lower costs. Supplies inventories decreased due to the adjustment of an overstatement described in Note 2 to the consolidated financial statements. Partially offsetting these decreases was an increase in finished goods inventory due primarily to mix of products. In the first nine months of fiscal 2009, finished goods and packaging inventories increased due primarily to higher costs and increased tons in inventory to cover downtime for planned maintenance.

Other liabilities increased $354,000 in the first nine months of fiscal 2010 compared to an increase of $384,000 in the same period of fiscal 2009. Accruals for postretirement benefits increased during the first nine months of fiscal 2010 and decreased slightly in the same period in fiscal 2009. The change in other liabilities also included the effect of currency exchange rate fluctuations on the liabilities of our foreign subsidiaries. The fluctuation in the relative value of the U.S. Dollar to both the British Pound and the Canadian Dollar resulted in a small decrease in other liabilities in the first nine months of fiscal 2010 compared to a larger increase in the same period of fiscal 2009.

Net cash (used in) provided by investing activities

Cash used in investing activities was $3,593,000 in the first nine months of fiscal 2010 compared to cash provided by investing activities of $4,375,000 in the first nine months of fiscal 2009. Cash used for capital expenditures of $7,945,000 in the first nine months of fiscal 2010 included approximately $3,000,000 to purchase land and mineral rights near our Georgia production plant. Capital expenditures of $12,682,000 in the same period of fiscal 2009 included approximately $7,000,000 for capital projects related to new product development at our manufacturing facilities and land purchases. In the first nine months of fiscal 2010, net cash provided by dispositions of investment securities was $4,007,000 compared to $17,035,000 in the first nine months of fiscal 2009. In the first nine months of fiscal 2009, more cash was needed to fund capital expenditures and payments on long-term debt compared to the first nine months of fiscal 2010. Purchases and dispositions of investment securities in both periods are subject to variations in the timing of investment maturities. In addition, in the first nine months of fiscal 2010 we received $337,000 from the sale of land and buildings at our United Kingdom subsidiary.

Net cash used in financing activities

Cash used in financing activities was $6,599,000 in the first nine months of fiscal 2010 compared to $8,740,000 in the first nine months of fiscal 2009. Cash used for payment of long-term debt in the first nine months of fiscal 2010 was $2,380,000 less than in the first nine months of fiscal 2009. In addition, cash provided by issuance of Common Stock in connection with stock option exercises was $827,000 higher in the first nine months of fiscal 2010. Conversely, $1,372,000 more cash was used to repurchase Common Stock in the first nine months of fiscal 2010 compared to the same period in fiscal 2009. Also, cash used for dividend payments was $235,000 higher in the first nine months of fiscal 2010 due to a dividend increase.

Other

Total cash and investment balances held by our foreign subsidiaries at April 30, 2010 and 2009 were $1,808,000 and $1,125,000, respectively. Our foreign subsidiaries' cash and investment balances increased during fiscal 2010 as a result of improvements in working capital.

As part of our normal course of business, we guarantee certain debts and trade payables of our wholly owned subsidiaries. These arrangements are made at the request of the subsidiaries' creditors because separate financial statements are not distributed for the wholly owned subsidiaries. As of April 30, 2010, the value of these guarantees was $193,000 of lease liabilities.

Our $15,000,000 unsecured revolving credit agreement with Harris N.A. ("Harris") is effective until December 31, 2011. The credit agreement provides that we may select a variable rate based on either Harris' prime rate or a LIBOR-based rate, plus a margin which varies depending on our debt to earnings ratio, or a fixed rate as agreed between us and Harris. At April 30, 2010, the variable rates would have been 3.25% for the Harris' prime-based rate or 1.46% for the LIBOR-based rate. The credit agreement contains restrictive covenants that, among other things and under various conditions (including a limitation on capital expenditures), limit our ability to incur additional indebtedness or to dispose of assets. The agreement also requires us to maintain a minimum fixed coverage ratio and a minimum consolidated net worth. As of April 30, 2010 and 2009, there were no outstanding borrowings under this credit facility and we were in compliance with its covenants.

As of April 30, 2010, we had remaining authority to repurchase 410,114 shares of common stock under a repurchase plan approved by the Board of Directors. These repurchases may be made on the open market (pursuant to Rule 10b5-1 plans or otherwise) or in negotiated transactions and the timing and amount of shares repurchased will be determined by our management.

We believe that cash flow from operations, availability under our revolving credit facility and current cash and investment balances will provide adequate cash funds for foreseeable working capital needs, capital expenditures and debt service obligations for at least the next 12 months. We currently expect cash requirements for capital expenditures in fiscal 2010 to decrease from fiscal 2009 due primarily to completion of certain capital projects at our manufacturing facilities. Our capital requirements are subject to change as business conditions warrant and opportunities arise. Our ability to fund operations, to make planned capital expenditures, to make scheduled debt payments and to remain in compliance with all of the financial covenants under debt agreements, including, but not limited to, the credit agreement, depends on our future operating performance, which, in turn, is subject to prevailing economic conditions and to financial, business and other factors. The timing and size of any new business ventures or acquisitions that we complete may also impact our cash requirements.

The tables in the following subsection summarize our contractual obligations and commercial commitments at April 30, 2010 for the time frames indicated.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

Contractual Obligations	Payments Due by Period				
	Total	Less Than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years
Long-Term Debt	$ 18,300,000	$ 3,500,000	$ 7,400,000	$ 7,000,000	$ 400,000
Interest on Long-Term Debt	2,970,000	1,067,000	1,432,000	459,000	12,000
Capital Leases	93,000	49,000	44,000	--	--
Operating Leases	14,122,000	3,059,000	3,516,000	2,673,000	4,874,000
Unconditional Purchase Obligations	3,357,000	2,947,000	410,000	--	--
Total Contractual Cash Obligations	$ 38,842,000	$ 10,622,000	$ 12,802,000	$ 10,132,000	$ 5,286,000

In the third quarter of fiscal 2010 we made a contribution of $922,000 to our defined benefit pension plan. We have not presented this obligation in the table above because the funding requirement can vary from year to year based on changes in the fair value of plan assets and actuarial assumptions. See Item 3. Quantitative and Qualitative Disclosures About Market Risk below for a discussion of the potential impact of financial market fluctuations on pension plan assets and future funding contributions.

As of April 30, 2010, our non-current liability for uncertain tax positions was approximately $200,000. We have not presented this obligation in the table above because the timing of future cash flows is dependent on examinations by taxing authorities and can not reasonably be estimated.

The unconditional purchase obligations include forward purchase contracts we have entered into for a portion of our natural gas fuel needs for fiscal 2010 and 2011. As of April 30, 2010, the remaining purchase obligation for fiscal 2010 was $1,369,000 for 220,000 MMBtu and for fiscal 2011 was $1,988,000 for 360,000 MMBtu. These contracts were entered into in the normal course of business and no contracts were entered into for speculative purposes.

	Amount of Commitment Expiration Per Period				
	Total	Less Than 1 Year	1 – 3 Years	4 – 5 Years	After 5 Years
Other Commercial Commitments	$ 32,875,000	$ 24,415,000	$ 8,000,000	$ 460,000	$ --

The other commercial commitments represent open purchase orders, including blanket purchase orders, for items such as packaging, additives and pallets used in the normal course of operations. The expected timing of payments of these obligations is estimated based on current information. Timing of payments and actual amounts paid may be different depending on the time of receipt of goods or services, or changes to agreed-upon amounts for some obligations.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

This discussion and analysis of financial condition and results of operations is based on our unaudited condensed consolidated financial statements, which have been prepared in conformity with accounting principles generally accepted in the United States. The preparation of these financial statements requires the use of estimates and assumptions related to the reporting of assets, liabilities, revenues, expenses and related disclosures. In preparing these financial statements, we have made our best estimates and judgments of certain amounts included in the financial statements. Estimates are revised periodically. Actual results could differ from these estimates.

See the information concerning our critical accounting policies included under Management's Discussion of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the fiscal year ended July 31, 2009 filed with the Securities and Exchange Commission, which is incorporated by reference in this Form 10-Q.

Recently Adopted Accounting Standards

We adopted the required portions of FASB guidance issued in January 2010 under ASC 820-10 *Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements.* The guidance effective for this Quarterly Report on Form 10-Q for the quarter ending April 30, 2010, required enhanced disclosures about valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The guidance also required new disclosures about transfers in and out of Level 1 and Level 2 fair value measurements. The adoption of this guidance resulted in enhanced disclosures in Note 5 to the unaudited consolidated financial statements.

Recently Issued Accounting Standards

In December 2008, the FASB issued guidance under ASC 715-20 *Compensation – Retirement Benefits* that will require expanded disclosure for employers' pension and other postretirement benefit plan assets fair value measurements, investment policies and strategies for the major categories of plan assets and significant concentrations of risk within plan assets. The adoption of the guidance will result in enhanced disclosures in our Annual Report on Form 10-K for the fiscal year ending July 31, 2010.

In January 2010, the FASB issued guidance under ASC 820-10 *Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements* that will require new disclosures related to Level 3 fair value measurements. Adoption of this guidance will result in enhanced disclosures in our Quarterly Report on Form 10-Q for the quarter ending October 31, 2010.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to interest rate risk and employ policies and procedures to manage our exposure to changes in the market risk of our cash equivalents and short-term investments. As of April 30, 2010, the process to unwind our two interest rate swap agreements was completed.

We are exposed to foreign currency fluctuation risk, primarily U.S. Dollar/British Pound, U.S. Dollar/Euro and U.S. Dollar/Canadian Dollar, as it relates to certain accounts receivables and our foreign operations. Foreign currency denominated accounts receivable is a small fraction of our consolidated accounts receivable. We are also subject to translation exposure of our foreign subsidiaries' financial statements. In recent years, our foreign subsidiaries have not generated a substantial portion of our consolidated sales or net income. We do not enter into any hedge contracts in an attempt to offset any adverse effect of changes in currency exchange rates. We believe that the foreign currency fluctuation risk is not material to our consolidated financial statements.

We are exposed to market risk at it relates to the investments that make up our plan assets under our defined benefit pension plan. The fair value of these assets is subject to change due to fluctuations in the financial markets. The decline in the equity markets resulted in a lower value of our pension plan assets as of July 31, 2009. The lower asset value increased our expense for fiscal 2010 and may increase the amount and accelerate the timing of future funding contributions.

We are exposed to regulatory risk in the fluid purification, animal health and agricultural markets, principally as a result of the risk of increasing regulation of the food chain in the United States and Europe. We actively monitor developments in this area, both directly and through trade organizations of which we are a member.

We are exposed to commodity price risk with respect to fuel. We have contracted for a portion of our anticipated fuel needs using forward purchase contracts to mitigate the volatility of our kiln fuel prices. As of April 30, 2010, we have purchased natural gas contracts representing approximately 50% of our planned kiln fuel needs for fiscal 2010. We estimate the weighted average cost of these natural gas contracts in fiscal 2010 to be approximately 38% lower than the contracts in fiscal 2009; however, this average will change if we continue to buy natural gas contracts. We have also purchased contracts for a portion of our fuel requirements for fiscal 2011 to take advantage of declines in natural gas prices. All contracts are related to the normal course of business and no contracts are entered into for speculative purposes.

The tables below provide information about our natural gas purchase contracts, which are sensitive to changes in commodity prices, specifically natural gas prices. For the purchase contracts outstanding at April 30, 2010, the table presents the notional amounts in MMBtu's, the weighted average contract prices, and the total dollar contract amount, which will mature by July 31 of 2010 and 2011. The Fair Value was determined using the "Most Recent Settle" price for the "Henry Hub Natural Gas" option contract prices as listed by the New York Mercantile Exchange on May 26, 2010.

Commodity Price Sensitivity
Natural Gas Future Contracts
For the Three months Ending July 31, 2010

	Expected 2010 Maturity	Fair Value
Natural Gas Future Volumes (MMBtu)	220,000	--
Weighted Average Price (Per MMBtu)	$ 6.23	--
Contract Amount ($ U.S., in thousands)	$ 1,369.5	$ 933.6

Commodity Price Sensitivity
Natural Gas Future Contracts
For the Year Ending July 31, 2011

	Expected 2011 Maturity	Fair Value
Natural Gas Future Volumes (MMBtu)	360,000	--
Weighted Average Price (Per MMBtu)	$ 5.52	--
Contract Amount ($ U.S., in thousands)	$ 1,987.7	$ 1,703.9

Factors that could influence the fair value of the natural gas contracts, include, but are not limited to, the creditworthiness of our natural gas suppliers, the overall general economy, developments in world events, and the general demand for natural gas by the manufacturing sector, seasonality and the weather patterns throughout the United States and the world. Some of these same events have allowed us to mitigate the impact of the natural gas contracts by the continued, and in some cases expanded, use of recycled oil in our manufacturing processes. Accurate estimates of the impact that these contracts may have on our financial results are difficult to make due to the inherent uncertainty of future fluctuations in option contract prices in the natural gas options market.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. The controls evaluation was conducted under the supervision and with the participation of management, including our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"). Based upon the controls evaluation, our CEO and CFO have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified by the SEC, and that such information is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended April 30, 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including the CEO and CFO, do not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

PART II – OTHER INFORMATION

Items 1, 1A, 3 and 5 of this Part II are either inapplicable or are answered in the negative and are omitted pursuant to the instructions to Part II.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the three months ended April 30, 2010, we did not sell any securities which were not registered under the Securities Act. The following chart summarizes Common Stock repurchases during this period.

ISSUER PURCHASES OF EQUITY SECURITIES[1]

For the Three Months Ended April 30, 2010	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number of Shares that may yet be Purchased Under Plans or Programs[2]
February 1, 2010 to February 28, 2010	6,300	$15.89	6,300	231,943
March 1, 2010 to March 31, 2010	28,203	$18.41	28,203	453,740
April 1, 2010 to April 30, 2010	43,626	$19.95	43,626	410,114

[1] The table summarizes repurchases of (and remaining authority to repurchase) shares of our Common Stock. We did not repurchase any shares of our Class B Stock during the period in question, and no shares of our Class A Common Stock are currently outstanding. Descriptions of our Common Stock, Class B Stock and Class A Common Stock are contained in Note 7 of the consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended July 31, 2009 filed with the SEC.

[2] On October 10, 2005, our Board of Directors authorized the repurchase of up to 500,000 shares of Common Stock, with repurchases to be made from time to time in the discretion of our management and in accordance with applicable laws, rules and regulations. This authorization does not have a stated expiration date. On March 11, 2010, our Board of Directors authorized the repurchase of an additional 250,000 shares of Common Stock. The share numbers in this column indicate the number of shares of Common Stock that may yet be repurchased under these authorizations. The share numbers were not affected by the five-for-four stock split that occurred on September 8, 2006. We do not have any current authorization from our Board of Directors to repurchase shares of Class B Stock, and no shares of Class A Common Stock are currently outstanding.

ITEM 6. EXHIBITS

Exhibit No.	Description	SEC Document Reference
10.1	Amendment, dated April 15, 2010, to the Letter Agreement, dated January 11, 2010, between Oil-Dri Corporation of America and Brian K. Bancroft.*	Incorporated by reference to Exhibit 10.1 to Oil-Dri's (File No. 001-12622) Current Report on Form 8-K filed on April 16, 2010.
10.2	Supplemental Executive Retirement Plan (as amended and restated effective January 1, 2009)*	Filed herewith.
11	Statement re: Computation of Earnings per Share.	Filed herewith.
31	Certifications pursuant to Rule 13a – 14(a).	Filed herewith.
32	Certifications pursuant to Section 1350 of the Sarbanes-Oxley Act of 2002.	Furnished herewith.
*	Management contract or compensatory plan or arrangement.	

SIGNATURES

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

OIL-DRI CORPORATION OF AMERICA
(Registrant)

BY /s/ Andrew N. Peterson
Andrew N. Peterson
Vice President and Chief Financial Officer

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

Dated: June 8, 2010

EXHIBITS

Exhibit No.	Description
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32	Certifications pursuant to Section 1350 of the Sarbanes-Oxley Act of 2002.
*	Management contract or compensatory plan or arrangement.
1	Incorporated by reference to Exhibit 10.1 to Oil-Dri's (File No. 001-12622) Current Report on Form 8-K filed on April 16, 2010.

Note: Stockholders may receive copies of the above listed exhibits, without fee, by written request to Investor Relations, Oil-Dri Corporation of America, 410 North Michigan Avenue, Suite 400, Chicago, Illinois 60611-4213, by telephone (312) 321-1515 or by e-mail to info@oildri.com.

Exhibit 10.2:

As Recommended, Adopted and Approved by the Compensation Committee and the Board of Directors on October 15, 2008

OIL-DRI CORPORATION OF AMERICA

SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

AMENDED AND RESTATED EFFECTIVE JANUARY 1, 2009

FOREWORD

Oil-Dri Corporation of America (the "Company") originally adopted this Supplemental Executive Retirement Plan (the "Plan") for the benefit of certain of its executives, effective April 1, 2003. Effective January 1, 2009, the Company adopts this amendment and restatement of the Plan in compliance with the requirements of Section 409A of the Internal Revenue Code (the "Code") and final Treasury regulations issued thereunder.

The Excess Benefit provided under the Plan is intended to be an "excess benefit plan" as defined in Section 3(36) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and the Supplemental Benefit provided under the Plan is intended to be a deferred compensation plan for "a select group of management or highly compensated employees" as that term is used in ERISA and the Plan shall be interpreted and administered to the extent possible in a manner consistent with that intent. The terms of this Plan, as amended and restated, apply to all benefits earned under the Plan, regardless of whether such benefits were earned and vested as of December 31, 2004.

The purpose of the Plan is to provide certain retired participants in the Oil-Dri Corporation of America Pension Plan ("Retirement Plan") with the amount of benefits that would have been provided under the Retirement Plan but for:

1. the limitations on benefits imposed by Section 415 of the Code, and/or

2. the limitation on compensation for purposes of calculating benefits under the Retirement Plan imposed by Section 401(a)(17) of the Code.

ARTICLE 1 - Definitions

1.1 Except to the extent otherwise indicated herein, or to the extent otherwise inappropriate in the context, the definitions contained in Article II of the Retirement Plan are applicable under this Plan.

1.2 “Affiliate” means any corporation or enterprise, other than the Company, which, as of a given date, is a member of the same controlled group of corporations, the same group of trades or businesses under common control, or the same affiliated service group, determined in accordance with Sections 414(b), (c), (m) and (o) of the Code, as is the Company.

1.3 “Committee” means the persons appointed by the Company as the Administrative Committee of the Retirement Plan.

1.4 “Company” means Oil-Dri Corporation of America, a corporation organized and existing under the laws of the State of Delaware and having its principal office in Chicago, Illinois. The Board of Directors of the Company or the Compensation Committee or any other authorized committee of the Board of Directors shall act on behalf of the Company.

1.5 “Excess Benefit” means the excess, if any, of the Retirement Benefit which would have been payable to or with respect to a Participant under the Retirement Plan had the limitations on benefits imposed by Section 415 of the Code not been applicable, over the Retirement Benefit actually payable to or with respect to the Participant under the Retirement Plan.

1.6 “Participant” means an individual who is eligible to receive benefits under the Plan as set forth in Article 2.1.

1.7 “Plan” means this Oil-Dri Corporation of America Supplemental Executive Retirement Plan, as amended, modified, or restated from time to time.

1.8 “Retirement Benefit” means, as the context requires, the benefit payable from the Retirement Plan.

1.9 “Retirement Plan” means the Oil-Dri Corporation of America Pension Plan, as amended, modified, or restated from time to time.

1.10 “Separation from Service” means the Participant’s death, retirement or other termination of employment with the Company and all Affiliates. For purposes of this definition, a “termination of employment” shall occur when the facts and circumstances indicate that the Company and the employee reasonably anticipate that no further services would be performed by the employee for the Company or any Affiliate after a certain date or that the level of bona fide services the employee would perform after such date (whether as an employee or as an independent contractor), would permanently decrease to no more than 20% of the average level of bona fide services performed (whether as an employee or as an independent contractor) over the immediately preceding 36-month period (or full period of services to the Company and all Affiliates if the employee has been providing services to the Company less than 36 months).

1.11 “Supplemental Benefit” means the excess, if any, of the Retirement Benefit that would have been payable to or with respect to a Participant under the Retirement Plan had the amount of the Participant’s annual Compensation taken into account for purposes of calculating benefits under the Retirement Plan not been limited by Code Section 401(a)(17), over the sum of (a) the Retirement Benefit actually payable to or with respect to the Participant under the Retirement Plan and (b) any Excess Benefit payable under this Plan.

ARTICLE 2 - Participation

2.1 Participation

Each Retirement Plan participant whose Accrued Benefit under the Retirement Plan is limited by application of the limitations on benefits imposed by Code Section 415 and/or the limitation on considered compensation imposed by Code Section 401(a)(17) shall be a Participant in this Plan. Participation in this Plan shall be limited to such Retirement Plan participants.

ARTICLE 3 - Benefits

3.1 Excess Benefit

The aggregate amount of Excess Benefit payable to or with respect to the Participant shall be paid directly to such Participant or his or her Beneficiary from the general assets of the Company in accordance with Articles 3.3 and 3.4.

3.2 Supplemental Benefit

The aggregate amount of Supplemental Benefit payable to or with respect to the Participant shall be paid directly to such Participant or his or her Beneficiary from the general assets of the Company in accordance with Articles 3.3 and 3.4.

3.3 General Provisions

(a) The Company shall make no provision for the funding of any Excess Benefits or Supplemental Benefits payable hereunder.

(b) In the event that the Company shall decide to establish an advance accrual reserve on its books against the future expense of Excess Benefit or Supplemental Benefit payments, such reserve shall not under any circumstances be deemed to be an asset of the Plan but, at all times, shall remain a part of the general assets of the Company, subject to claims of the Company's creditors.

(c) The Excess Benefit and/or Supplemental Benefit with respect to a Participant shall be paid to the Participant or his or her Beneficiary in the form of five substantially equal annual installments, with the first such installment paid on or as soon as practicable after the first day of the calendar month following the six-month anniversary of the Participant's Separation from Service and the remaining four annual installments paid annually thereafter on or as soon as practicable following the first day of the calendar month following the 18-month, 30-month, 42-month, and 54-month anniversaries of such Separation from Service. The calculation of the annual installments shall be performed using the same actuarial factors then utilized by the Retirement Plan for determining actuarial equivalence. All federal, state, and local taxes that the Committee determines are required to be withheld from any benefit payments made under the Plan shall be withheld.

(d) Any other provision of the Plan to the contrary notwithstanding, in the event the present value of the vested combined Excess Benefit and Supplemental Benefit with respect to a Participant who has a Separation from Service does not exceed $50,000, payment of his or her benefit shall be made in a lump sum on or as soon as administratively feasible after the first day of the calendar month next following the six (6)-month anniversary of said Separation from Service.

(e) The Excess Benefit and/or Supplemental Benefit shall be paid in accordance with subsections (c) or (d) above regardless of whether the Participant is a "specified employee" of the Company (as defined in Treasury Regulation Section 1.409A-1(i)).

(f) In the event that the Retirement Plan shall be terminated, Excess Benefits and/or Supplemental Benefits shall continue to be paid directly by the Company as provided in subsections (c) or (d) above, but only with respect to such benefits accrued as of the date of the Retirement Plan's termination.

3.4 Limitations on Benefits

(a) Any Excess Benefit and any Supplemental Benefit under this Plan shall be considered vested and nonforfeitable only if and when the Participant's Accrued Benefit under the Retirement Plan is vested and nonforfeitable.

(b) Notwithstanding the foregoing, the Excess Benefit and/or Supplemental Benefit with respect to a Participant shall be subject to adjustment by reason of changes in Code Section 401(a)(17) and/or 415 affecting the Accrued Benefit payable under the Retirement Plan.

(c) Any other provision of the Plan to the contrary notwithstanding, in no event will any benefit be payable under the Plan with respect to a Participant who terminates employment or retires, if such individual performs services for a competitor of the Company, and such service is determined by the Committee to violate any non-competition agreement signed by the Participant.

ARTICLE 4 - Administration

4.1 Plan Administrator

The Committee shall be the "administrator" of the Plan within the meaning of Section 3(16)(A) of ERISA.

4.2 Powers of Plan Administrator

The Committee shall be vested with the general administration of the Plan. The Committee shall have the exclusive right, and discretionary authority, to interpret the Plan. The decisions, actions and records of the Committee shall be conclusive and binding upon the Company, upon any adopting Employers, and upon all persons having or claiming to have any right or interest in or under the Plan.

4.3 Participation by Subsidiary

If any entity is now or hereafter becomes a subsidiary or Affiliate of the Company and becomes an adopting Employer under the Retirement Plan, the Company may authorize such subsidiary or Affiliate to participate in this Plan upon appropriate action by such entity necessary to adopt the Plan.

4.4 Claim Procedure

Any Participant or Beneficiary, or his or her representative, who believes he or she is entitled to payment of a benefit for which provision is made in the Plan shall file a written claim with the Committee and shall furnish such evidence of entitlement to benefits as the Committee may reasonably require. The Committee shall notify the Participant or Beneficiary in writing as to the amount of the benefit to which he or she is entitled, the duration of such benefit, the time the benefit is to commence and other pertinent information concerning his or her benefit. If a claim for a benefit is denied by the Committee, in whole or in part, the Committee shall provide adequate notice in writing to the Participant or Beneficiary whose claim for a benefit has been denied within the 90-day period following receipt of the claim by the Committee. If, under special circumstances, the Committee requires an extension of time for processing the claim, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period. In no event shall such extension exceed a period of 90 days from the end of such initial period. If written notice of the denial is not furnished in accordance with the above, the claim shall be deemed denied and the claimant may proceed with an appeal of the denial, as provided below. The written notice regarding the benefit denied shall set forth (a) the specific reason or reasons for the denial; (b) specific reference to pertinent Plan provisions on which the denial is based; (c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and (d) a statement that any appeal of the denial must be made in writing to the Committee, within 60 days after receipt of the notice, which must include a full description of the pertinent issues and the basis of the appeal. If the Participant or Beneficiary fails to appeal such action to the Committee in writing within the prescribed period of time, the Committee's determination shall be final, binding and conclusive.

4.5 Appeal of Denial of Claim

If the Committee receives from a Participant or a Beneficiary, or his or her representative, within the prescribed period of time, a notice of an appeal of the denial of a claim for benefits, the Committee shall reconsider the claim, and may hold a hearing or otherwise ascertain such facts as it deems necessary, and shall render a decision which shall be binding upon both parties. The decision of the Committee shall be in writing and a copy thereof shall be sent by certified mail to the claimant within 60 days after the receipt by the Committee of the notice of appeal, unless special circumstances require an extension of such 60-day period, but in any event, not later than 120 days after receipt. If written notice of the denial on appeal of a claim for benefits is not received within the 60- or 120-day period, as applicable, then the claim shall be treated as a denied claim on appeal.

ARTICLE 5 - Amendment and Termination

5.1 Amendment of the Plan

Subject to the provisions of Article 5.3, the Plan may be wholly or partially amended or otherwise modified at any time by the Company.

5.2 Termination of the Plan

Subject to the provisions of Article 5.3, the Plan may be terminated at any time by the Company.

5.3 No Impairment of Benefits

Notwithstanding the provisions of Articles 5.1 and 5.2, no amendment to or termination of the Plan shall impair any rights to Excess Benefits and Supplemental Benefits which have accrued hereunder. In the event the Plan is terminated, any Excess Benefits and Supplemental Benefits remaining will be distributed in such manner as is determined by the Committee in its sole discretion.

ARTICLE 6 – Incorporation of Retirement Plan by Reference

6.1 Incorporation of Retirement Plan by Reference

Except to the extent otherwise indicated herein, the applicable provisions of the Retirement Plan are hereby incorporated by reference into this Plan.

ARTICLE 7 – Miscellaneous

7.1 Non-Alienation

No right or benefit under the Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber or charge the same shall be void. No right or benefit under the Plan shall in any manner be liable for or subject to the debts, contracts, liabilities or torts of the person entitled to such benefit except such claims as may be made by the Company or any Affiliate. Notwithstanding the foregoing, a Participant's Excess Benefit and/or Supplemental Benefit may be assigned or awarded to an alternate payee pursuant to a domestic relations order the Committee determines to be a "qualified domestic relations order" (or "QDRO") described in Code Section 414(p) and Treasury Regulation Section 1.409A-3(j)(4)(ii).

7.2 Unsecured General Creditor

Participants and their Beneficiaries, heirs, successors and assigns shall have no legal or equitable rights, interests or claims in any property or assets of the Company. For purposes of the payment of benefits under the Plan, the Company's assets shall be, and remain, neither pledged nor restricted under or as a result of the Plan. The Company's obligation under the Plan shall be merely that of an unfunded and unsecured promise to pay money in the future. All amounts deferred and accrued under the Plan will be unsecured liabilities of the Company. For purposes of this Section 7.2, all references to the "Company" shall be deemed to also refer to any adopting Employer.

7.3 Court Order

If an interest in a Participant's Excess Benefit and/or Supplemental Benefit under the Plan is assigned or awarded to an alternate payee pursuant to a QDRO, the QDRO may provide for the immediate distribution to the alternate payee his or her interest in such benefit in a lump sum.

7.4 Participant's Rights

The establishment of the Plan shall not be construed as giving any Participant the right to be retained as an employee of the Company or any adopting Employer, or the right to receive any benefits not specifically provided herein. The Company and any adopting Employer shall have no obligation to fund its obligations under the Plan. Nothing herein shall be deemed to create a trust of any kind or to create any fiduciary relationships.

7.5 Notice

Any notice authorized or required to be given to the Company under the Plan shall be deemed given upon delivery in writing, signed by the person giving the notice, to the General Counsel of the Company or such other officer as may be designated by the Committee.

7.6 Applicable Law

To the extent not preempted by the laws of the United States of America, the Plan shall be governed by the laws of the State of Illinois without regard to its conflict of laws rules.

7.7 Expenses

The expenses of administering the Plan shall be borne by the Company.

7.8 Incompetency

If any Participant or Beneficiary is, in the opinion of the Committee, legally incapable of giving a valid receipt and discharge for any payment, the Committee may, at its option, direct that such payment or any part thereof be made to such person or persons who in the opinion of the Committee are caring for and supporting such Participant or Beneficiary, unless it has received due notice of claim from a duly appointed guardian or conservator of the estate of the Participant or Beneficiary. A payment so made will be a complete discharge of the obligations under the Plan.

7.9 Severability

If any provisions of the Plan shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of the Plan, but the Plan shall be construed and enforced as if said illegal and invalid provisions had never been included herein.

7.10 Gender and Number

Masculine gender shall include the feminine, and the singular shall include the plural, unless the context clearly indicates otherwise.

7.11 Captions

The captions of the sections and paragraphs of the Plan are for convenience only and shall not control or effect the meaning or construction of any of its provisions.

IN WITNESS WHEREOF, the Company has caused the Plan to be executed upon the signature of its duly qualified officer as of the date first written above.

OIL-DRI CORPORATION OF AMERICA

By: /s/ Charles P. Brissman
Its Vice President and General Counsel

ATTEST:

By: /s/ Angela M. Hatseras

Exhibit 11:

OIL-DRI CORPORATION OF AMERICA AND SUBSIDIARIES
Computation of Earnings Per Share
(in thousands except for per share amounts)

	Three months Ended April 30,		Nine months Ended April 30,	
	2010	**2009**	**2010**	**2009**
Net income available to stockholders	**$ 2,586**	$ 2,416	**$ 7,042**	$ 7,034
Less: Distributed and undistributed earnings allocated to nonvested stock	**(7)**	(10)	**(23)**	(36)
Earnings available to common shareholders	**$ 2,579**	$ 2,406	**$ 7,019**	$6,998
Shares Calculation				
Average shares outstanding – Basic Common	**5,245**	5,149	**5,215**	5,136
Average shares outstanding – Basic Class B Common	**1,897**	1,880	**1,889**	1,872
Potential Common Stock relating to stock options	**167**	158	**181**	185
Average shares outstanding – Assuming dilution	**7,309**	7,187	**7,285**	7,193
Net Income Per Share: Basic Common	**$ 0.39**	$ 0.37	**$ 1.06**	$ 1.07
Net Income Per Share: Basic Class B Common	**$ 0.29**	$ 0.27	**$ 0.80**	$ 0.80
Net Income Per Share: Diluted	**$ 0.35**	$ 0.33	**$ 0.96**	$ 0.97

Exhibit 31:

CERTIFICATIONS PURSUANT TO RULE 13A -14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED
Certification of Principal Executive Officer
(Section 302 of the Sarbanes-Oxley Act of 2002)

I. I, Daniel S. Jaffee, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oil-Dri Corporation of America (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 8, 2010

By: /s/ Daniel S. Jaffee
Daniel S. Jaffee
President and Chief Executive Officer

Exhibit 31 (continued):

Certification of Principal Financial Officer
(Section 302 of the Sarbanes-Oxley Act of 2002)

I. I, Andrew N. Peterson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Oil-Dri Corporation of America (the “registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: June 8, 2010

By: /s/ Andrew N. Peterson
Andrew N. Peterson
Vice President and Chief Financial Officer

Exhibit 32:

CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO THE SARBANES-OXLEY ACT OF 2002 CERTIFICATION

Certification

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Oil-Dri Corporation of America (the “Company”) hereby certifies that to the best of my knowledge the Company’s Quarterly Report on Form 10-Q for the quarter ended April 30, 2010 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Dated: June 8, 2010

/s/ Daniel S. Jaffee

Name: Daniel S. Jaffee
Title: President and Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Oil-Dri Corporation of America and will be retained by Oil-Dri Corporation of America and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Report or as a separate disclosure document.

Certification

Pursuant to 18 U.S.C. Section 1350, the undersigned officer of Oil-Dri Corporation of America (the “Company”) hereby certifies that to the best of my knowledge the Company’s Quarterly Report on Form 10-Q for the quarter ended April 30, 2010 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Dated: June 8, 2010

/s/ Andrew N. Peterson

Name: Andrew N. Peterson
Title: Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Oil-Dri Corporation of America and will be retained by Oil-Dri Corporation of America and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Report or as a separate disclosure document.