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, 2001

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 0-8675

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

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

410 North Michigan Avenue, Suite 400 CHICAGO, ILLINOIS	60611-4213
(Address of principal executive offices)	(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

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

Common Stock - 5,470,435 Shares (Including 1,278,769 Treasury Shares)
Class B Stock - 1,765,083 Shares (Including 342,241 Treasury Shares)

CONTENTS

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS OF DOLLARS)
(UNAUDITED)

	APRIL 30 2001	JULY 31 2000
CURRENT ASSETS		
Cash and Cash Equivalents	$ 396	$ 1,388
Investment Securities	1,230	1,219
Accounts Receivable, less allowance of $1,102 and $836 at April 30, 2001 and July 31, 2000, respectively	24,800	24,438
Non-recurring Fee Receivable	4,278	--
Inventories	15,744	16,928
Income taxes receivable	1,210	2,267
Prepaid Expenses	7,897	7,719
TOTAL CURRENT ASSETS	$ 55,555	$ 53,959
PROPERTY, PLANT AND EQUIPMENT - AT COST		
Cost	138,574	135,645
Less Accumulated Depreciation and Amortization	(81,740)	(76,033)
TOTAL PROPERTY, PLANT AND EQUIPMENT, NET	$ 56,834	$ 59,612
OTHER ASSETS		
Goodwill & Intangibles, net of accumulated amortization of $3,395 and $2,664 at April 30, 2001 and July 31, 2000, respectively	9,866	10,324
Deferred Income Taxes	2,606	2,606
Other	5,850	6,343
TOTAL OTHER ASSETS	$ 18,322	$ 19,273
TOTAL ASSETS	$ 130,711	$132,844

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

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS OF DOLLARS)
(UNAUDITED)

LIABILITIES & STOCKHOLDERS' EQUITY	APRIL 30 2001	JULY 31 2000
CURRENT LIABILITIES		
Current Maturities of Notes Payable	$ 2,150	$ 1,750
Accounts Payable	2,986	4,804
Dividends Payable	473	473
Accrued Expenses	11,485	8,057
TOTAL CURRENT LIABILITIES	17,094	15,084
NONCURRENT LIABILITIES		
Notes Payable	34,907	39,434
Deferred Compensation	2,708	3,112
Other	2,437	2,250
TOTAL NONCURRENT LIABILITIES	40,052	44,796
TOTAL LIABILITIES	57,146	59,880
STOCKHOLDERS' EQUITY		
Common Stock, par value $.10 per share, issued 5,470,435 shares at April 30 and July 31, 2000	547	547
Class B Stock, par value $.10 per share, issued 1,765,083 shares at April 30, 2001 and July 31, 2000	177	177
Additional Paid-In Capital	7,667	7,698
Retained Earnings	91,416	90,757
Restricted Unearned Stock Compensation	(33)	(10)
Cumulative Translation Adjustment	(1,388)	(1,310)
	98,386	97,859
Less Treasury Stock, at cost (1,278,769 Common shares and 342,241 Class B shares at April 30, 2001, and 1,283,769 Common shares and 342,241 Class B shares at July 31, 2000)	(24,821)	(24,895)
TOTAL STOCKHOLDERS' EQUITY	73,565	72,964
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$ 130,711	$ 132,844

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

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
(IN THOUSANDS, EXCEPT FOR PER SHARE AMOUNTS)
(UNAUDITED)

	FOR THE NINE MONTHS ENDED APRIL 30	
	2001	2000 (RESTATED)
NET SALES	$ 131,850	$ 133,033
Cost Of Sales	99,055	95,308
GROSS PROFIT	32,795	37,725
Selling, General And Administrative Expenses	32,304	32,552
Non-recurring Fee	(4,278)	--
Restructuring Charge	--	1,239
INCOME FROM OPERATIONS	4,769	3,934
OTHER INCOME (EXPENSE)		
Interest Expense	(2,228)	(2,409)
Interest Income	200	164
Other, Net	69	339
TOTAL OTHER EXPENSE, NET	(1,959)	(1,906)
INCOME BEFORE INCOME TAXES	2,810	2,028
Income Taxes	732	588
NET INCOME	2,078	1,440
RETAINED EARNINGS		
Balance at Beginning of Year	90,757	90,430
Less Cash Dividends Declared	1,419	1,427
RETAINED EARNINGS - APRIL 30	$ 91,416	$ 90,443
NET INCOME PER SHARE		
BASIC	$ 0.37	$ 0.25
DILUTIVE	$ 0.37	$ 0.25
AVERAGE SHARES OUTSTANDING		
BASIC	5,612	5,660
DILUTIVE	5,612	5,736

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

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
STATEMENTS OF CONSOLIDATED INCOME
(IN THOUSANDS OF DOLLARS)
(UNAUDITED)

	FOR THE NINE MONTHS ENDED APRIL 30	
	2001	2000 (RESTATED)
NET INCOME	$ 2,078	$ 1,440
OTHER COMPREHENSIVE INCOME:		
Cumulative Translation Adjustments	(78)	(79)
TOTAL COMPREHENSIVE INCOME	$ 2,000	$ 1,361

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OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
(IN THOUSANDS, EXCEPT FOR PER SHARE AMOUNTS)
(UNAUDITED)

	FOR THE NINE MONTHS ENDED APRIL 30	
	2001	2000 (RESTATED)
NET SALES	$ 42,093	$ 42,604
Cost Of Sales	32,080	30,543
GROSS PROFIT	10,013	12,061
Selling, General And Administrative Expenses	11,154	10,652
Non-recurring Fee	(4,278)	--
INCOME (LOSS) FROM OPERATIONS	3,137	1,409
OTHER INCOME (EXPENSE)		
Interest Expense	(714)	(786)
Interest Income	42	55
Other, Net	114	111
TOTAL OTHER EXPENSE, NET	(558)	(620)
INCOME BEFORE INCOME TAXES	2,579	789
Income Tax	673	229
NET INCOME	1,906	560
NET INCOME PER SHARE		
BASIC	0.34	0.10
DILUTIVE	0.34	0.10
AVERAGE SHARES OUTSTANDING		
BASIC	5,614	5,610
DILUTIVE	5,614	5,611

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

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
STATEMENTS OF CONSOLIDATED INCOME
(IN THOUSANDS OF DOLLARS)
(UNAUDITED)

	FOR THE NINE MONTHS ENDED APRIL 30	
	2001	2000 (RESTATED)
NET INCOME	$ 1,906	$ 560
OTHER COMPREHENSIVE INCOME:		
Cumulative Translation Adjustments	(33)	(66)
TOTAL COMPREHENSIVE INCOME	$ 1,873	$ 494

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

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS OF DOLLARS)
(UNAUDITED)

	FOR THE NINE MONTHS ENDED APRIL 30	
CASH FLOWS FROM OPERATING ACTIVITIES	2001	2000 (RESTATED)
NET INCOME	$ 2,078	$ 1,440
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	6,860	6,792
Non-Cash Restructuring Charge	--	1,039
Provision for Bad Debts	120	102
(Increase) Decrease in:		
Accounts Receivable	(482)	868
Non-recurring Fee Receivable	(4,278)	--
Inventories	1,183	(2,672)
Prepaid Expenses and Taxes	878	(1,531)
Deferred Income Taxes	--	4
Other Assets	428	(1,335)
Increase (Decrease) in:		
Accounts Payable	(1,817)	160
Accrued Expenses	3,527	(1,495)
Deferred Compensation	(404)	(131)
Special Charge Reserve	(100)	--
Other	187	(197)
TOTAL ADJUSTMENTS	6,102	1,604
NET CASH PROVIDED BY OPERATING ACTIVITIES	8,180	3,044
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	(4,108)	(4,888)
Proceeds from Sale of Property, Plant and Equipment	288	12
Purchases of Investment Securities	(1,230)	(1,219)
Dispositions of Investment Securities	1,220	1,225
Other	245	(9)
NET CASH USED IN INVESTING ACTIVITIES	(3,585)	(4,879)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	(4,127)	(4,326)
Proceeds from Issuance of Long-Term Debt	--	6,013
Dividends Paid	(1,419)	(1,438)
Purchases of Treasury Stock	--	(1,727)
Other	(41)	(61)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(5,587)	(1,539)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(992)	(3,374)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,388	4,362
CASH AND CASH EQUIVALENTS, APRIL 30	$ 396	$ 988

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

OIL-DRI CORPORATION OF AMERICA & SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF STATEMENT PRESENTATION

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, 2000, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission.

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany transactions are eliminated.

The unaudited financial information reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of the statements contained herein.

Certain items in prior year financial statements have been reclassified to conform to the presentation used in fiscal 2001.

2. RESTATEMENT

On July 24, 2000 Oil-Dri Corporation of America filed a report on Form 8-K with the Securities and Exchange Commission which disclosed that reported financial results for each of the first three quarters of its fiscal year ending July 31, 2000 would be restated. The filing reported that the Company had not recognized the impact on pricing and promotional allowances caused when a customer changed from buying directly from Oil-Dri to purchasing through wholesalers. Additionally, a review of trade spending showed that the Company's accruals for marketing expenses should be increased. Both of these items impacted the Consumer Products segment. The restatement had the effect of decreasing net sales by $176,000, income before tax by $526,000, net income by $374,000, and basic and diluted net income per share by $0.07 for the three months ended April 30, 2000. For the nine months ended April 30, 2000, the restatement had the effect of reducing net sales by $799,000, income before tax by $1,849,000, net income by $1,313,000, and basic and fully diluted net income per share by $0.24 and $0.23, respectively. At April 30, 2000, the restatement increased accrued expenses, net of the related income tax reduction, by $514,000 and decreased accounts receivable and retained earnings by $799,000 and $1,313,000, respectively.

3. NON-RECURRING FEE

Included in current year income from operations for both the third quarter and year-to-date is non-recurring fee income of $4,278,000, which resulted from the early termination of a supply agreement. The non-recurring fee income was also established as a receivable value during the third quarter. Therefore, the fee income had a neutral cash flow impact for the third quarter and year-to-date.

4. RESTRUCTURING CHARGE

During the second quarter of fiscal 2000, the Company recorded a pre-tax restructuring charge of $1,239,000 against income from operations, as follows:

Severance costs	$ 604,000
Non-performing asset	635,000
Restructuring charge	$1,239,000

The severance costs were related to a realignment of the Company's personnel costs to bring them more in line with sales and profitability. The majority of the positions terminated were at the selling, general and administrative level.

The net book value of the non-performing asset consisted of specific production equipment that was idled. The equipment had been used in the Crop Production and Horticultural Products segment. Because management does not rely on segment asset allocation, information regarding the results of operations for this specific asset cannot be identified. However, the results are included in cost of sales.

5. INVENTORIES

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

	APRIL 30 (UNAUDITED) 2001	JULY 31 (AUDITED) 2000
Finished goods	$ 9,338	$10,251
Packaging	4,336	5,273
Other	2,070	1,404
	$ 15,744	$ 16,928

Inventories are valued at the lower of cost or market. Cost is determined by the first-in, first-out method.

6. NEW ACCOUNTING STANDARDS AND PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." In June 2000, the FASB issued Statement of Financial Accounting Standards No. 138, "Accounting for Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133," ("SFAS No. 138") which amended SFAS No. 133 and added guidance for certain derivative instruments and hedging activities. The new standard, SFAS No. 133 as amended by SFAS No. 138, requires recognition of all derivatives as either assets or liabilities at fair value. One of the primary amendments to SFAS No. 133, which is covered by SFAS No. 138, establishes a "normal purchases and normal sales" exception. This exception permits companies to exclude contracts which provide for the purchase or sale of something other than a financial derivative instrument that will be delivered in quantities expected to be used or sold by the entity over a reasonable period of time in the normal course of business operations. The Company adopted SFAS No. 133 as amended by SFAS No. 138 effective October 31, 2000. The Company has forward purchase contracts for certain natural gas commodities that qualify for the "normal purchase" exception provisions of SFAS No. 138. The adoption of SFAS No. 133 as amended by SFAS No. 138 had no material effect on either the financial position or results of operations.

In May 2000, the Emerging Issues Task Force (EITF) issued its conclusion on EITF No. 00-14, "Accounting for Certain Sales Incentives." The EITF concluded that certain coupon expenses should be reported as a reduction of sales rather than a marketing expense. The Company is currently required to adopt this change by July 2001 and restate prior periods. When adopted, the Company's net sales will be reduced by certain sales incentives, resulting in lower net sales and a corresponding reduction in merchandising expenses. The amount of the reclassification has not been finalized but is not expected to have a material impact upon the Company's financial statements.

7. SEGMENT REPORTING

The Company has four reportable operating segments: Consumer Products Group, Specialty Products Group, Crop Production and Horticultural Products Group, and Industrial and Automotive Products Group. These segments are managed separately because each business has different economic characteristics. The Specialty Products Group was previously described as the Fluids Purification Products Group, and the Crop Production and Horticultural Products Group was described as the Agricultural Products Group. In addition, certain businesses were transferred between the Crop Production and Horticultural Products Group and the Specialty Products Group as described below.

The accounting policies of the segments are the same as those described in Note 1 of the Company's Annual Report for the year ended July 31, 2000 on Form 10-K filed with the Securities and Exchange Commission.

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

	Nine Months Ended April 30			
	Net Sales		Operating Income	
	2001	2000 (restated)	2001	2000 (restated)
	(in thousands)			
Consumer Products Group	$ 85,500	$ 86,612	$ 6,005	$10,425
Specialty Products Group	18,061	19,319(2)	2,438	3,1422
Crop Production and Horticultural Products Group	13,630	13,193(2)	1,795	1,871(2)
Industrial and Automotive Products Group	14,659	13,909	647	819
TOTAL SALES/OPERATING INCOME	$131,850	$133,033	$10,885	$16,257
Non-recurring Fee(3)			4,278	--
Less:				
Special Charge(1)			--	1,239
Corporate Expenses			10,326	10,745
Interest Expense, net of Interest Income			2,027	2,245
INCOME BEFORE INCOME TAXES			2,810	2,028
Income Taxes			732	588
NET INCOME			$ 2,078	$ 1,440

	Quarter Ended April 30			
	Net Sales		Operating Income	
	2001	2000 (restated)	2001	2000 (restated)
	(in thousands)			
Consumer Products Group	$ 25,508	$ 26,418	$ 853	$ 2,615
Specialty Products Group	5,937	5,843(2)	560	808(2)
Crop Production and Horticultural Products Group	5,590	5,500(2)	975	1,005(2)
Industrial and Automotive Products Group	5,058	4,843	261	282
TOTAL SALES/OPERATING INCOME	$ 42,093	$42,604	$ 2,649	$ 4,710
Non-recurring Fee(3)			4,278	--
Less:				
Corporate Expenses			3,678	3,190
Interest Expense, net of Interest Income			671	731
INCOME BEFORE INCOME TAXES			2,578	789
Income Taxes			672	229
NET			$ 1,906	$ 560

1. See Note 4 for a discussion of the special charge recorded in fiscal 2000.

2. Includes reclassification of animal health and nutrition products from the Crop Production and Horticultural Products Group to the Specialty Products Group to take advantage of international opportunities and spread the time-intensive burden of new product and market development between the business units.

3. See Note 3 for a discussion of the non-recurring fee income recorded in fiscal 2001.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

NINE MONTHS ENDED APRIL 30, 2001 COMPARED TO
NINE MONTHS ENDED APRIL 30, 2000 (RESTATED)

RESULTS OF OPERATIONS

Consolidated net sales for the nine months ended April 30, 2001 were $131,850,000, a decrease of 0.9% from net sales of $133,033,000 in the first nine months of fiscal 2000. Net income for the first nine months of fiscal 2001 was $2,078,000, an increase of 44.3% from $1,440,000 earned in the first nine months of fiscal 2000. Fiscal 2001 income was positively impacted by $4,278,000 of non-recurring fee income, while being negatively impacted by $920,000 of charges covering developmental costs and several capital asset programs that the Company no longer intends to pursue in their original form. Basic and diluted net income per share for the first nine months of fiscal 2001 was $0.37 versus $0.25 basic and diluted net income per share earned in the first nine months of fiscal 2000.

Net sales of the Consumer Products Group for the first nine months of fiscal 2001 were $85,500,000, a decrease of 1.3% from net sales of $86,612,000 in the first nine months of fiscal 2000. This segment's operating income decreased 42.4% from $10,425,000 in the first nine months of fiscal 2000 to $6,005,000 in the first nine months of fiscal 2001 due to a reduction of gross profit for our mass merchandiser customers and Oil-Dri Canada. The reduction of gross profit was caused by unfavorable product mix weighted heavily towards private label versus branded cat litter products, the deterioration of distribution of paper cat litter items, and higher material and transportation costs in the U.S. and Canada. Also, fuel cost increases have had a negative impact on the income of the entire Consumer Products Group.

Net sales of the Specialty Products Group for the first nine months of fiscal 2001 were $18,061,000, a decrease of 6.5% from net sales of $19,319,000 in the first nine months of fiscal 2000. This segment's operating income decreased 22.4% from $3,142,000 in the first nine months of fiscal 2000 to $2,438,000 in the first nine months of fiscal 2001 due to the gross profit implications of reduced sales of our PURE-FLO(R) bleaching clays, increased fuel costs, unfavorable foreign exchange rates and a one-time, pre-tax charge of $410,000 related to the exit the Rheological Products business and the write-off of developmental work. Fiscal year 2000 net sales and operating income reflect a reclassification of $1,799,000 and $14,000 respectively for Animal Health and Nutrition products and customers moved from the Crop Production and Horticultural Products segment to the Specialty Products segment.

Net sales of the Crop Production and Horticultural Products Group for the first nine months of fiscal 2001 were $13,630,000, an increase of 3.3% from net sales of $13,193,000 in the first nine months of fiscal 2000, led primarily by an increase in sports field products. Crop Production and Horticultural Products' operating income decreased 4.1% from $1,871,000 in the first nine months of fiscal 2000 to $1,795,000 in the first nine months of fiscal 2001 due to fuel cost increases.

Net sales of the Industrial and Automotive Products Group for the first nine months of fiscal 2001 were $14,659,000, an increase of 5.4% from net sales of $13,909,000 in the first nine months of fiscal 2000 due to pricing action taken by this group. Industrial and Automotive Products' operating income decreased 21.0% from $819,000 in the first nine months of fiscal 2000 to $647,000 in the first nine months of fiscal 2001 due to increased fuel and material costs.

Consolidated gross profit as a percentage of net sales for the first nine months of fiscal 2001 decreased to 24.9% from 28.4% in the first nine months of fiscal 2000 due to an increase in the cost of fuel to operate our manufacturing plants and distribution processes, and fierce competition and unfavorable mix issues in the consumer cat litter market. The Company experienced a $2,672,000 fuel cost increase to process our clays over the first nine months of fiscal 2000.

Operating expenses as a percentage of net sales for the first nine months of fiscal 2001 decreased to 24.5% from 25.4% in the first nine months of fiscal 2000 due to a reduction in corporate expenses, largely attributable to the fiscal 2000 restructuring expenses.

Interest expense and interest income for the first nine months of fiscal 2001 were better by $217,000 from fiscal 2000, due to lower levels of debt.

The Company's effective tax rate was 26.0% of pre-tax income in the first nine months of fiscal 2001 versus 29.0% in the first nine months of fiscal 2000.

Total assets of the Company decreased $2,133,000 or 1.6% during the first nine months of fiscal 2001. Current assets increased $1,596,000 or 3.0% from fiscal 2000 year-end balances primarily due to increased accounts receivable associated with the non-recurring fee income. Property, plant and equipment, net of accumulated depreciation, decreased $2,778,000 or 4.7% during the first nine months as depreciation expense exceeded capital expenditures.

Total liabilities decreased $2,734,000 or 4.6% during the first nine months of fiscal 2001. Current liabilities increased $2,010,000 or 13.3% from fiscal 2000 year-end balances due to increases in fuel purchases, trade promotions and advertising and current debt maturities.

EXPECTATIONS

The Company anticipates that fourth quarter sales will be flat to slightly down compared to the same quarter a year ago. The Company is focused on increasing the quality and productivity of its processes, which will contribute to profitability in both the next quarter and over the long term. The Company has implemented price increases to pass some of its rising costs along to its customers and help improve margins in the future.

Fluctuations in natural gas and other fuel prices will continue to have a very significant impact on the Company's earnings. The Company has contracted for a major portion of fuel needs for fiscal 2002. While this will reduce the volatility in fuel prices, the weighted average cost of these contracts will be consistent with the increased prices paid in fiscal 2001. At this point, it is difficult to forecast the Company's fully diluted earnings per share beyond a broad range of $0.20 to $0.37 per diluted share for the fiscal year.

LIQUIDITY AND CAPITAL RESOURCES

The current ratio decreased to 3.3:1 at April 30, 2001 from 3.6:1 at July 31, 2000. Working capital decreased $414,000 during the first nine months of fiscal 2001 to $38,461,000, primarily due to higher accrued expenses, offset by higher receivables. During the first nine months of fiscal 2001, the balances of cash, cash equivalents and investment securities decreased $981,000.

Cash provided by operating activities was used to fund capital expenditures of $3,820,000, payments on long-term debt of $4,127,000 and dividend payments of $1,419,000. Total cash and investment balances held by the Company's foreign subsidiaries at April 30, 2001 and July 31, 2000 were $2,151,000 and $2,366,000, respectively.

Liquidity needs have been, and are expected to be, met through internally generated funds and, to the extent needed, borrowings under the Company's revolving credit facility with Harris Trust and Savings. The credit agreement contains restrictive covenants that, among other things and under various conditions, limit the Company's ability to incur additional indebtedness, to acquire (including a limitation on capital expenditures) or dispose of assets and to pay dividends.

The Company believes that cash flow from operations and availability under its revolving credit facility will provide adequate funds for foreseeable working capital needs, capital expenditures at existing facilities and debt service obligations. However, new facility construction is anticipated to require additional borrowings of a long-term nature outside the existing credit facility.

The Company's ability to fund operations, make planned capital expenditures, including new facility construction, to make scheduled debt payments and to remain in compliance with all of the financial covenants under debt agreements depends on its future operating performance, which, in turn, is subject to prevailing economic conditions and to financial, business and other factors.

The Company entered into an amendment with Teachers Insurance and Annuity Association and CIGNA Investments, Inc. to amend its Note Purchase Agreement dated as of April 15, 1998 ("1998 Note Agreement") to modify the fixed charges coverage ratio covenant therein from the prior ratio of 1.5 to 1, to the new ratios as follows: (i) for the period ending November 1, 2000 through April 30, 2001 - ratio of 1.00 to 1; (ii) for the period ending May 1, 2001 through October 31, 2001 - ratio of 1.15 to 1; for the period ending November 1, 2001 through July 31, 2002 - ratio of 1.25 to 1; and for the period ending August 1, 2002 and thereafter - ratio of 1.50 to 1.

The Company also entered into amendments with Teachers Insurance and Annuity Association of its Note Agreement dated as of April 15, 1993 and its Note Agreement dated as of April 15, 1991 to add a fixed charges coverage ratio on substantially the same terms as those in the 1998 Note Agreement as amended.

THREE MONTHS ENDED APRIL 30, 2001 COMPARED TO THREE MONTHS ENDED APRIL 30, 2000 (RESTATED)

RESULTS OF OPERATIONS

Consolidated net sales for the third quarter ended April 30, 2001 were $42,093,000, an decrease of 1.2% from net sales of $42,604,000 in the third quarter of fiscal 2000. The net income for the third quarter of fiscal 2001 was $1,906,000, which was $1,346,000 more than the $560,000 income in the third quarter of fiscal 2000. Fiscal 2001's third quarter income was positively impacted by $4,278,000 of non-recurring fee income, while being negatively impacted by $700,000 of charges covering developmental costs and several capital asset programs that the Company no longer intends to pursue in their original form. Basic and diluted net income per share for the third quarter of fiscal 2001 were both $0.34 versus $0.10 basic and diluted net income per share earned in the third quarter of fiscal 2000.

Net sales of the Consumer Products Group for the third quarter of fiscal 2001 were $25,508,000, a decrease of 3.4% from net sales of $26,418,000 in the third quarter of fiscal 2000. This segment's operating income decreased 67.4% from $2,615,000 in the third quarter of fiscal 2000 to $853,000 in the same period of fiscal 2001. This decrease was due to a reduction of gross profit primarily for our mass merchandiser customers and Oil-Dri Canada. The reduction of gross profit was caused by unfavorable product mix weighted heavily towards private label versus branded cat litter products, deterioration of distribution of the Company's paper cat litters and higher material and transportation costs in the U.S. and Canada. Also, fuel cost increases have had a negative impact on the income of the entire Consumer Products Group.

Net sales of the Specialty Products Group for the third quarter of fiscal 2001 were $5,937,000, an increase of 1.6% from net sales of $5,843,000 in the third quarter of fiscal 2000. This segment's operating income decreased 30.7% from $808,000 in the third quarter of fiscal 2000 to $560,000 in the third quarter of fiscal 2001 due to increased fuel costs, unfavorable foreign exchange fluctuations and increased promotional activities in our domestic animal health and nutrition products. Fiscal year 2001 net sales and operating income reflect the reclassification for certain products and customers from the Crop Production and Horticultural Products Group to the Specialty Products Group.

Net sales of the Crop Production and Horticultural Products Group for the third quarter of fiscal 2001 were $5,590,000, an increase of 1.6% from net sales of $5,500,000 in the third quarter of fiscal 2000, led primarily by an increase in sports field product sales. This segment's operating income decreased 3.0% from $1,005,000 in the third quarter of fiscal 2000 to $975,000 in the third quarter of fiscal 2001 due to fuel cost increases.

Net sales of the Industrial and Automotive Products Group for the third quarter of fiscal 2001 were $5,058,000, an increase of 4.4% from net sales of $4,843,000 in the third quarter of fiscal 2000 due to increased product pricing. This segment's operating income decreased 7.5% from $282,000 in the third quarter of fiscal 2000 to $261,000 in the third quarter of fiscal 2001 due to increased fuel costs.

Consolidated gross profit as a percentage of net sales for the third quarter of fiscal 2001 decreased to 23.8% from 28.3% in the third quarter of fiscal 2000 due to increased fuel costs and fierce competition in our consumer products area. The Company experienced a $586,000 fuel cost increase to process our clays over the third quarter of fiscal 2000.

Operating expenses as a percentage of net sales for the third quarter of fiscal 2001 increased to 26.4% from 25.0% in the third quarter of fiscal 2000 due to an increase in corporate expenses, largely attributable to benefits costs and an increase in the advertising costs for our Crop Production Group.

Interest expense and interest income for the third quarter of fiscal 2001 were better by $59,000 from fiscal 2000, due to lower debt levels.

The Company's effective tax rate was 26.0% of pre-tax income in the third quarter of fiscal 2001 versus 29.0% in the same period of fiscal 2000.

FOREIGN OPERATIONS

Net sales by the Company's foreign subsidiaries during the nine months ended April 30, 2001 were $9,170,000 or 7.0% of total Company sales. This represents a decrease of 11.4% from the same period of fiscal 2000 in which foreign subsidiary sales were $10,350,000 or 7.8% of total Company sales. This decrease is due to the loss of bleaching clay sales to a major customer. For the first nine months of fiscal 2001, the foreign subsidiaries experienced a loss of $895,000, a decrease of $1,156,000 from $261,000 income earned from the same period of fiscal 2000. This decrease was primarily due to lower gross profit margins resulting from higher material cost and adverse currency issues. Identifiable assets of the Company's foreign subsidiaries as of April 30, 2001 were $9,968,000, vs. $10,332,000 as of April 30, 2000. This reduction was seen mostly in cash and equivalents.

Net sales by the Company's foreign subsidiaries during the three months ended April 30, 2001 were $3,023,000 or 7.2% of total Company sales. This represents a decrease of $18,000 or 0.6% from the third quarter of fiscal 2000, in which foreign subsidiary sales were $3,041,000 or 7.2% of total Company sales. For the three months ended April 30, 2001 the foreign subsidiaries experienced a loss of $519,000, a decrease of $434,000 from $85,000 loss earned in the third quarter of fiscal 2000. This decrease was primarily due to higher material and transportation costs in our Canadian operations.

FORWARD-LOOKING STATEMENTS

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

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company did not have any derivative financial instruments as of April 30, 2001. However, the Company is exposed to interest rate risk. The Company employs policies and procedures to manage its exposure to changes in the market risk of its cash equivalents and short term investments. The Company believes that the market risk arising from holdings of its financial instruments is not material.

The Company is exposed to commodity price risk with respect to natural gas. The Company has contracted for a major portion of its fuel needs for fiscal 2002 using forward purchase contracts to manage the volatility related to this exposure. No contracts were entered into for speculative purposes. These contracts will reduce the volatility in fuel prices, and the weighted average cost of these contracts will be consistent with the increased prices paid in fiscal 2001.

PART II - OTHER INFORMATION

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

		Exhibit Index
Exhibit 11:	Statement Re: Computation of per share earnings	21

SIGNATURES

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

OIL-DRI CORPORATION OF AMERICA
(Registrant)

BY /S/JEFFREY M. LIBERT

Jeffrey M. Libert
Chief Financial Officer

BY /S/DANIEL S. JAFFEE

Daniel S. Jaffee
President and Chief Executive Officer

Dated: June 13, 2001

Exhibit 11

OIL-DRI CORPORATION OF AMERICA AND SUBSIDIARIES
COMPUTATION OF EARNINGS PER SHARE
(IN THOUSANDS EXCEPT FOR PER SHARE AMOUNTS)

	Nine Months Ended April 30	
	2001	2000 (Restated)
Net income available to Stockholders (numerator)	$ 2,078	$ 1,440
Shares Calculation (denominator):		
Average shares outstanding - basic	5,612	5,660
Effect of Dilutive Securities:		
Potential Common Stock relating to stock options	--	76
Average shares outstanding- assuming dilution	5,612	5,736
Earnings per share-basic	$0.37	$0.25
Earnings per share-assuming dilution	$0.37	$0.25