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Form 990

Return of Organization Exempt From Income Tax

2011

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

► The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable

Address change

Name change

Initial return

Terminated

Amended return

Application pending

C Name of organization

Dairy Management Inc

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite

10255 W Higgins Road

City or town, state or country, and ZIP + 4

Rosemont, IL 60018

F Name and address of principal officer

Thomas Gallagher
10255 W Higgins Road Ste 900
Rosemont, IL 60018

D Employer identification number

36-3992031

E Telephone number

(847) 803-2000

G Gross receipts \$ 127,182,944

I Tax-exempt status 501(c)(3) 501(c) (6) (insert no) 4947(a)(1) or 527

H(a) Is this a group return for affiliates?

 Yes NoH(b) Are all affiliates included? Yes No

If "No," attach a list (see instructions)

H(c) Group exemption number ►

J Website: ► www.dairyinfo.com

K Form of organization Corporation Trust Association Other ►

L Year of formation 1995

M State of legal domicile DC

Part I Summary

1 Briefly describe the organization's mission or most significant activities

TO INVEST DAIRY PRODUCER CHECKOFF FUNDS IN STRATEGIC, COORDINATED MARKETING PROGRAMS DESIGNED TO INCREASE CONSUMPTION OF US DAIRY PRODUCTS BOTH DOMESTICALLY AND INTERNATIONALLY

2 Check this box ► if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a)

3 81

4 Number of independent voting members of the governing body (Part VI, line 1b)

4 81

5 Total number of individuals employed in calendar year 2011 (Part V, line 2a)

5 227

6 Total number of volunteers (estimate if necessary)

6 0

7a Total unrelated business revenue from Part VIII, column (C), line 12

7a 0

b Net unrelated business taxable income from Form 990-T, line 34

7b 0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	0	0
9	Program service revenue (Part VIII, line 2g)	126,072,736	127,182,944
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0	0
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	126,072,736	127,182,944

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	0	0
9	Program service revenue (Part VIII, line 2g)	126,072,736	127,182,944
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0	0
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	126,072,736	127,182,944
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0	519,331
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	21,392,750	18,349,671
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ► 0		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	104,679,986	108,313,942
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	126,072,736	127,182,944
19	Revenue less expenses Subtract line 18 from line 12		0

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	22,597,931	18,683,002
21	Total liabilities (Part X, line 26)	22,597,931	18,683,002
22	Net assets or fund balances Subtract line 21 from line 20	0	0

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer	2012-11-15
	DANIEL CHAVKA CFO	Date

Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed ►	Preparer's taxpayer identification number (see instructions)
	Firm's name (or yours if self-employed), address, and ZIP + 4	ERNST & YOUNG US LLP 111 MONUMENT CIRCLE SUITE 2600 INDIANAPOLIS, IN 46204		EIN ► Phone no ► (317) 681-7000

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III **1 Briefly describe the organization's mission**

DAIRY MANAGEMENT INC (DMI) WAS FORMED IN 1995 BY THE NATIONAL DAIRY PROMOTION AND RESEARCH BOARD (NDB) AND THE UNITED DAIRY INDUSTRY ASSOCIATION (UDIA) DMI IS A MANAGEMENT ORGANIZATION THAT INVESTS DAIRY PRODUCER CHECKOFF FUNDS IN STRATEGIC, COORDINATED MARKETING PROGRAMS DESIGNED TO INCREASE CONSUMPTION OF US DAIRY PRODUCTS BOTH DOMESTICALLY AND INTERNATIONALLY THE FORMATION OF DMI HAS CREATED EFFICIENCIES, GAINED THROUGH THE ELIMINATION OF REDUNDANCIES AND THE POWER OF JOINT PLANNING

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

If "Yes," describe these new services on Schedule O

 Yes No**3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?**

If "Yes," describe these changes on Schedule O

 Yes No**4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported**

4a (Code) (Expenses \$ including grants of \$) (Revenue \$)

CHILD NUTRITION AND FITNESS INITIATIVE SEE SCHEDULE O MISSION AND ACTIVITIES DESCRIPTION, HEALTH AND WELLNESS SECTION

4b (Code) (Expenses \$ including grants of \$) (Revenue \$)

NUTRITION AFFAIRS SEE SCHEDULE O MISSION AND ACTIVITIES DESCRIPTION, HEALTH AND WELLNESS SECTION

4c (Code) (Expenses \$ including grants of \$) (Revenue \$)

EXPORT ACTIVITIES SEE SCHEDULE O MISSION AND ACTIVITIES DESCRIPTION, INTERNATIONAL MARKETING SECTION

4d Other program services (Describe in Schedule O)(Expenses \$ including grants of \$) (Revenue \$)**4e Total program service expenses \$**

Part IV Checklist of Required Schedules

1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A

2 Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?

3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I

4 **Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II

5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III

6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I

7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II

8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III

9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV

10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V

11 If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable

a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI

b Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII

c Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII

d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX

e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X

f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X

12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII

b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional

13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E

14a Did the organization maintain an office, employees, or agents outside of the United States?

b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I

15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U.S.? If "Yes," complete Schedule F, Part II and IV

16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U.S.? If "Yes," complete Schedule F, Part III and IV

17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I

18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II

19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III

20a Did the organization operate one or more hospitals? If "Yes," complete Schedule H

b If "Yes" to line 20a, did the organization attach its audited financial statement to this return? **Note.** All Form 990 filers that operated one or more hospitals must attach audited financial statements

	Yes	No
1		No
2		No
3		No
4		
5		No
6		No
7		No
8		No
9		No
10		No
11a	Yes	
11b		No
11c		No
11d	Yes	
11e	Yes	
11f		No
12a	Yes	
12b		No
13		No
14a		No
14b		No
15		No
16		No
17		No
18		No
19		No
20a		No
20b		

Part IV Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	<input checked="" type="checkbox"/>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	<input checked="" type="checkbox"/>	22	No	
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J	<input checked="" type="checkbox"/>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to line 25		24a	No	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		25a		
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		25b		
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II		26	No	
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If "Yes," complete Schedule L, Part III		27	No	
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)				
a	A current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		28a	No	
b	A family member of a current or former officer, director, trustee, or key employee? If "Yes," complete Schedule L, Part IV		28b	No	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? If "Yes," complete Schedule L, Part IV		28c	No	
29	Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		29	No	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		30	No	
31	Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		31	No	
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		32	No	
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301 7701-2 and 301 7701-3? If "Yes," complete Schedule R, Part I	<input checked="" type="checkbox"/>	33	No	
34	Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	<input checked="" type="checkbox"/>	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?		35a	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	<input checked="" type="checkbox"/>	35b	Yes	
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		36		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	<input checked="" type="checkbox"/>	37	No	
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O		38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	170
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	Yes
2a	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return	2a	227
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	Yes
<p>Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)</p>			
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a	No
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	4a	No
b	If "Yes," enter the name of the foreign country ► See instructions for filing requirements for Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	No
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).	7a	
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7b	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7c	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7d	
d	If "Yes," indicate the number of Forms 8282 filed during the year	7e	
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7f	
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7g	
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7h	
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	8	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	9a	
9	Sponsoring organizations maintaining donor advised funds.	9b	
a	Did the organization make any taxable distributions under section 4966?	10a	
b	Did the organization make a distribution to a donor, donor advisor, or related person?	10b	
10	Section 501(c)(7) organizations. Enter		
a	Initiation fees and capital contributions included on Part VIII, line 12	11a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	11b	
11	Section 501(c)(12) organizations. Enter	12a	
a	Gross income from members or shareholders	12b	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	13a	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	13b	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	13c	
13	Section 501(c)(29) qualified nonprofit health insurance issuers.	14a	No
a	Is the organization licensed to issue qualified health plans in more than one state? Note. All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state	14b	
b	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
c	Enter the aggregate amount of reserves on hand		
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14b	
b	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a Enter the number of voting members of the governing body at the end of the tax year	1a	81	
b Enter the number of voting members included in line 1a, above, who are independent	1b	81	
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		No
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		No
4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		No
5 Did the organization become aware during the year of a significant diversion of the organization's assets?	5		No
6 Did the organization have members or stockholders?	6		No
7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		No
b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		No
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following			
a The governing body?	8a	Yes	
b Each committee with authority to act on behalf of the governing body?	8b	Yes	
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9		No

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a Did the organization have local chapters, branches, or affiliates?	10a		No
b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a		No
b Describe in Schedule O the process, if any, used by the organization to review the Form 990			
12a Did the organization have a written conflict of interest policy? If "No," go to line 13	12a	Yes	
b Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	12c	Yes	
13 Did the organization have a written whistleblower policy?	13	Yes	
14 Did the organization have a written document retention and destruction policy?	14	Yes	
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a The organization's CEO, Executive Director, or top management official	15a	Yes	
b Other officers or key employees of the organization	15b	Yes	
If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)			
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the States with which a copy of this Form 990 is required to be filed

18 Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c) (3)s only) available for public inspection. Indicate how you made these available. Check all that apply
 Own website Another's website Upon request

19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
 ROGER ALBERT
 10255 W HIGGINS ROAD SUITE 900
 Rosemont, IL 600185616
 (847) 803-2000

Part VII: Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any See instructions for definition of "key employee "
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order: individual trustees or directors, institutional trustees, officers, key employees, highest compensated employees, and former such persons.

Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **68**

	Yes	No
3 Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
Daniel J Edelman 200 E Randolph 63rd Floor CHICAGO, IL 60601	Agency Services	10,443,595
Foodminds LLC One Tower Lane Suite 2610 OAK BROOK TERRACE, IL 60181	Agency Services	1,341,590
MMS Education 105 Terry Drive Suite 120 NEWTOWN, PA 18940	Agency Services	2,563,062
TEAM SERVICES LLC 1700 ROCKVILLE PIKE SUITE 615 ROCKVILLE, MD 20852	Agency Services	1,160,655
REVERE GROUP LTD 625 N LASALLE CHICAGO, IL 60654	IT PROJECT SERVICES	2,223,779

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ►29

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514		
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f					
	g Noncash contributions included in lines 1a-1f \$						
	h Total. Add lines 1a-1f		0				
Program Service Revenue	Business Code						
			2a PROGRAM FUNDING REVENUE	900099	99,271,807	99,271,807	
			b CORE FUNDING REVENUE	900099	25,394,124	25,394,124	
			c CONTRACT SERVICE REVENUE	900099	2,517,013	2,517,013	
			d				
			e				
	f All other program service revenue						
	g Total. Add lines 2a-2f		127,182,944				
Other Revenue	3 Investment income (including dividends, interest and other similar amounts)						
			0				
	4 Income from investment of tax-exempt bond proceeds		0				
	5 Royalties		0				
	6a Gross rents	(i) Real					
	b Less rental expenses	(ii) Personal					
	c Rental income or (loss)						
	d Net rental income or (loss)						
7a Gross amount from sales of assets other than inventory	(i) Securities						
b Less cost or other basis and sales expenses	(ii) Other						
c Gain or (loss)							
d Net gain or (loss)		0					
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c) See Part IV, line 18							
b Less direct expenses	b						
c Net income or (loss) from fundraising events		0					
9a Gross income from gaming activities See Part IV, line 19	a						
b Less direct expenses	b						
c Net income or (loss) from gaming activities		0					
10a Gross sales of inventory, less returns and allowances	a						
b Less cost of goods sold	b						
c Net income or (loss) from sales of inventory		0					
Miscellaneous Revenue	Business Code						
11a							
b							
c							
d All other revenue							
e Total. Add lines 11a-11d		0					
12 Total revenue. See Instructions		127,182,944	127,182,944				

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Check if Schedule O contains a response to any question in this Part IX **Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States See Part IV, line 21	519,331			
2 Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	0			
4 Benefits paid to or for members	0			
5 Compensation of current officers, directors, trustees, and key employees	3,467,597			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
7 Other salaries and wages	10,844,458			
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	2,106,044			
9 Other employee benefits	1,032,679			
10 Payroll taxes	898,893			
11 Fees for services (non-employees)				
a Management	0			
b Legal	1,078,937			
c Accounting	142,373			
d Lobbying	0			
e Professional fundraising See Part IV, line 17	0			
f Investment management fees	0			
g Other	67,432			
12 Advertising and promotion	11,670			
13 Office expenses	935,713			
14 Information technology	4,104,277			
15 Royalties	0			
16 Occupancy	1,624,754			
17 Travel	1,825,758			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
19 Conferences, conventions, and meetings	1,818,074			
20 Interest	0			
21 Payments to affiliates	0			
22 Depreciation, depletion, and amortization	572,934			
23 Insurance	83,957			
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a DOMESTIC MARKETING PROGRAM	89,163,944			
b COMMUNICATIONS/MEMBER RELATION	21,096			
c PLACEMENT & SHARED STAFF	-659,760			
d OUTSIDE HELP	6,979,285			
e				
f All other expenses	543,498			
25 Total functional expenses. Add lines 1 through 24f	127,182,944			
26 Joint costs. Check here <input type="checkbox"/> <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
Assets	1 Cash—non-interest-bearing	93,720	1	81,252	
	2 Savings and temporary cash investments	0	2	0	
	3 Pledges and grants receivable, net	0	3	0	
	4 Accounts receivable, net	727,445	4	1,080,438	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	5	0	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L	0	6	0	
	7 Notes and loans receivable, net	0	7	0	
	8 Inventories for sale or use	0	8	0	
	9 Prepaid expenses and deferred charges	446,182	9	707,347	
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	8,627,894	10a		
	b Less accumulated depreciation	7,186,146	1,717,723	10c	1,441,748
	11 Investments—publicly traded securities	0	11	0	
	12 Investments—other securities See Part IV, line 11	0	12	0	
	13 Investments—program-related See Part IV, line 11	0	13	0	
	14 Intangible assets	0	14	0	
	15 Other assets See Part IV, line 11	19,612,861	15	15,372,217	
	16 Total assets. Add lines 1 through 15 (must equal line 34)	22,597,931	16	18,683,002	
Liabilities	17 Accounts payable and accrued expenses	17,474,802	17	11,799,750	
	18 Grants payable	0	18	0	
	19 Deferred revenue	0	19	0	
	20 Tax-exempt bond liabilities	0	20	0	
	21 Escrow or custodial account liability Complete Part IV of Schedule D	0	21	0	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L	0	22	0	
	23 Secured mortgages and notes payable to unrelated third parties	0	23	0	
	24 Unsecured notes and loans payable to unrelated third parties	0	24	0	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D	5,123,129	25	6,883,252	
	26 Total liabilities. Add lines 17 through 25	22,597,931	26	18,683,002	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.				
	27 Unrestricted net assets	0	27	0	
	28 Temporarily restricted net assets	0	28	0	
	29 Permanently restricted net assets	0	29	0	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.				
	30 Capital stock or trust principal, or current funds	30			
	31 Paid-in or capital surplus, or land, building or equipment fund	31			
	32 Retained earnings, endowment, accumulated income, or other funds	32			
	33 Total net assets or fund balances	0	33	0	
	34 Total liabilities and net assets/fund balances	22,597,931	34	18,683,002	

Part XI Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI

1 Total revenue (must equal Part VIII, column (A), line 12)	1	127,182,944
2 Total expenses (must equal Part IX, column (A), line 25)	2	127,182,944
3 Revenue less expenses Subtract line 2 from line 1	3	0
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	0
5 Other changes in net assets or fund balances (explain in Schedule O)	5	0
6 Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	0

Part XII Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII

	Yes	No
1 Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	No
b Were the organization's financial statements audited by an independent accountant?	2b	Yes
c If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	2c	Yes
d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	No
b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	

2011

Open to Public
Inspection**SCHEDULE D**
(Form 990)Department of the Treasury
Internal Revenue Service**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
 ► Attach to Form 990. ► See separate instructions.

Name of the organization

Dairy Management Inc

Employer identification number

36-3992031

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? Yes No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

Preservation of land for public use (e.g., recreation or pleasure) Preservation of an historically importantly land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
2a	
2b	
2c	
2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► _____

4 Number of states where property subject to conservation easement is located ► _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year

► \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? Yes No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ _____

(ii) Assets included in Form 990, Part X ► \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► \$ _____

b Assets included in Form 990, Part X ► \$ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a Public exhibition d Loan or exchange programs
 b Scholarly research e Other
 c Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior Year	(c) Two Years Back	(d) Three Years Back	(e) Four Years Back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

a Board designated or quasi-endowment ►

b Permanent endowment ►

c Term endowment ►

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

	Yes	No
3a(i) unrelated organizations		
3a(ii) related organizations		
3b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?		

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

	Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land					
b Buildings					
c Leasehold improvements		878,282	297,686	580,596	
d Equipment		4,363,473	3,610,693	752,780	
e Other		3,386,139	3,277,767	108,372	
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)					1,441,748

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
Other		
Total. (Column (b) should equal Form 990, Part X, col (B) line 12.) ►		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13.) ►		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	15,372,217
Total. (Column (b) should equal Form 990, Part X, col (B) line 15.) ►	15,372,217

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of Liability	(b) Amount
Federal Income Taxes	0
DUE TO AFFILIATES	6,883,252
Total. (Column (b) should equal Form 990, Part X, col (B) line 25.) ►	6,883,252

2. Fin 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	127,182,944
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	127,182,944
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	127,182,944
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	127,182,944
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	127,182,944

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	127,182,944
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	127,182,944
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	127,182,944

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information

Identifier	Return Reference	Explanation

Additional Data

Software ID:
Software Version:
EIN: 36-3992031
Name: Dairy Management Inc

Form 990, Special Condition Description:**Special Condition Description****Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Or director or trustee	Institutional Trustee	Officer	Key Employee	Highest compensated employee			
PATRICIA M BOETTCHER DIRECTOR	1 0	X					0	0	0
BRIAN W ESPLIN DIRECTOR	1 0	X					0	0	0
JOHN B FISCALINI DIRECTOR	1 0	X					0	0	0
DAVID P CROWL DIRECTOR	1 0	X					0	0	0
DOUGLAST DANIELSON DIRECTOR	1 0	X					0	0	0
PAUL A FRITSCHE DIRECTOR	1 0	X					0	0	0
STEVEN R HANSON DIRECTOR	1 0	X					0	0	0
JEFFREY A HARDY DIRECTOR	1 0	X					0	0	0
NEIL A HOFF DIRECTOR	1 0	X					0	7,400	0
KENTON W HOLLE DIRECTOR	1 0	X					0		0
LARRY B JAGGERS DIRECTOR	1 0	X					0		0
RITA P KENNEDY DIRECTOR	1 0	X					0		0
RONALD L KOETSIER DIRECTOR	1 0	X					0		0
DOUGLAS L KRICKENBARGER DIRECTOR	1 0	X					0		0
SHARON K LAUBSCHER DIRECTOR	1 0	X					0		0
BYRON A LEHMAN DIRECTOR	1 0	X					0		0
STEPHEN D MADDOX DIRECTOR	1 0	X					0		0
GEORGE E MARSH DIRECTOR	1 0	X					0		0
RONALD R MCCORMICK DIRECTOR	1 0	X					0		0
KEN MEYERS DIRECTOR	1 0	X					0		0
ZACHARY H MYERS DIRECTOR	1 0	X					0		0
DOUGLAS D NUTTELMAN DIRECTOR	1 0	X					0		0
ELLEN H PARADEE DIRECTOR	1 0	X					0		0
RAY S PROCK DIRECTOR	1 0	X					0		0
RANDY G GROECKER DIRECTOR	1 0	X					0		0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)			(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Highest compensated employee	Former	
CARLA SCHMITZ DIRECTOR	10	X				0	0
BRAD SCOTT DIRECTOR	10	X				0	0
RONALD E SHELTON DIRECTOR	10	X				0	0
SANFORD STAUFFER TREASURER	10	X				0	0
SUSAN D K TROYER DIRECTOR	10	X				0	0
CARL F VANDEN AVOND DIRECTOR	10	X				0	0
ARLENE J VANDER EYK DIRECTOR	10	X				0	0
GIGI VITA DIRECTOR	10	X				0	0
HAROLD ANDY WICK DIRECTOR	10	X				0	0
LARRY ALEXANDER DIRECTOR	10	X				0	0
ELIZABETH LIZ ANDERSON DIRECTOR	10	X				0	3,300
VICTOR BISSELL DIRECTOR	10	X				0	4,500
PAUL BROERING DIRECTOR	10	X				0	4,500
BOBBY COMBS DIRECTOR	10	X				0	3,800
TOM CRONER DIRECTOR	10	X				0	3,700
BRYAN DAVIS DIRECTOR	10	X				0	4,100
AUDREY DONAHOE DIRECTOR	10	X				0	5,000
TOM DORSEY DIRECTOR	10	X				0	4,200
PAUL DOTON DIRECTOR	10	X				0	4,500
GLEN EASTER DIRECTOR	10	X				0	0
STEVE P FRISCHKNECHT DIRECTOR	10	X				0	5,700
JOE L GONZALEZ DIRECTOR	10	X				0	3,000
R STEVEN GRAYBEAL DIRECTOR	10	X				0	0
DAN GRUNHOVD DIRECTOR	10	X				0	3,900
DONALD GURTNER DIRECTOR	10	X				0	3,800

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee Or director	Institutional Trustee	Office	Key employee	Highest compensated employee			
LESTER E HARDESTY DIRECTOR	1 0	X					0	8,300	0
DAVID SKIP HARDIE DIRECTOR	1 0	X					0	8,100	0
JERREL HEATWOLE DIRECTOR	1 0	X					0	3,700	0
VERNON HORST DIRECTOR	1 0	X					0	4,400	0
JOHN HOWERTON DIRECTOR	1 0	X					0	2,850	0
RON HURLIMAN DIRECTOR	1 0	X					0	3,900	0
DWAINE JUNCK DIRECTOR	1 0	X					0	1,500	0
ROBERT KRAN DIRECTOR	1 0	X					0	3,800	0
JOHN M LARSON DIRECTOR	1 0	X					0	0	0
ALLEN MERRILL DIRECTOR	1 0	X					0	2,800	0
JERRY G MESSER DIRECTOR	1 0	X					0	2,200	0
KEN NOBIS DIRECTOR	1 0	X					0	600	0
LYNN RAMSEY DIRECTOR	1 0	X					0	1,050	0
JIM REID DIRECTOR	1 0	X					0	0	0
ARIE ROELOFFS DIRECTOR	1 0	X					0	0	0
PAUL E ROVEY CHAIR	1 0	X					0	12,250	0
NORBERT SCHMIDT DIRECTOR	1 0	X					0	4,000	0
CONNIE SEEFELDT DIRECTOR	1 0	X					0	4,200	0
WILLIAM B SIEBENBORN DIRECTOR	1 0	X					0	12,600	0
ROBERT SMIT DIRECTOR	1 0	X					0	3,800	0
JOAN D SMITH DIRECTOR	1 0	X					0	4,000	0
JAY STAUFFACHER DIRECTOR	1 0	X					0	700	0
BERNIE TEUNISSEN DIRECTOR	1 0	X					0	3,500	0
JOHN TRAEEK DIRECTOR	1 0	X					0	2,000	0
JERRY TRUELOVE DIRECTOR	1 0	X					0	0	0

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee Or director	Institutional Trustee	Officer	Key employee	Highest compensated employee			
DAVE VEENHOUWER DIRECTOR	1 0	X					0	2,300	0
TOM A WOODS DIRECTOR	1 0	X					0	3,200	0
JAMES L AHLEM VICE CHAIR	1 0	X					0		0
RENAE A DE JAGER DIRECTOR	1 0	X					0		0
W RYAN ANGLIN DIRECTOR	1 0	X					0		0
MARK E ERDMAN DIRECTOR	1 0	X					0		0
CARROLL V WADE DIRECTOR	1 0	X					0	4,100	0
PAULA A MEABON DIRECTOR	1 0	X					0	8,600	0
DAN RICE DIRECTOR	1 0	X					0	700	0
EARL STITZLEIN DIRECTOR	1 0	X					0	2,500	0
EARL HORNING DIRECTOR	1 0	X					0	3,700	0
BILLY TRAVIS DIRECTOR	1 0	X					0	6,100	0
MICHAEL FERGUSON DIRECTOR	1 0	X					0	3,500	0
Thomas Gallagher CEO	40 0			X			619,557	0	65,570
Daniel Chavka CFO	40 0			X			308,453	0	118,445
Julian Toney COO (RETIRED 2011)	40 0			X			1,776,263	0	59,176
KEVIN PONTICELLI COO	40 0			X			485,150	0	34,983
Thomas Suber Executive VP	40 0				X		492,043	0	238,734
Jean Ragalie Executive VP	40 0				X		424,232	0	146,811
Gregory Miller Executive VP	40 0				X		427,973	0	209,176
Mark Leitner Executive VP	40 0				X		351,358	0	97,664
BARBARA O'BRIEN EXECUTIVE VP	40 0				X		379,268	0	30,567

**Schedule I
(Form 990)**

Grants and Other Assistance to Organizations, Governments and Individuals in the United States

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.

► **Attach to Form 990**

2011

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization
Dairy Management Inc.

Employer identification number

36-3992031

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? Yes No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed .

Part III Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF ASSISTANCE	SCHEDULE I, PART I, LINE 2	The organization reported on Schedule I received a contribution from Dairy Management Inc (DMI), but not a grant. DMI's accounting department books contributions made to other 501(c)(3) organizations.

Schedule J
(Form 990)**Compensation Information**

OMB No 1545-0047

2011**Open to Public
Inspection**Department of the Treasury
Internal Revenue Service

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
► Complete if the organization answered "Yes" to Form 990, Part IV, question 23.
► Attach to Form 990. ► See separate instructions.

Name of the organization

Dairy Management Inc

Employer identification number

36-3992031

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items

<input checked="" type="checkbox"/> First-class or charter travel	<input type="checkbox"/> Housing allowance or residence for personal use
<input type="checkbox"/> Travel for companions	<input type="checkbox"/> Payments for business use of personal residence
<input checked="" type="checkbox"/> Tax indemnification and gross-up payments	<input checked="" type="checkbox"/> Health or social club dues or initiation fees
<input type="checkbox"/> Discretionary spending account	<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)

b If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply

<input checked="" type="checkbox"/> Compensation committee	<input checked="" type="checkbox"/> Written employment contract
<input checked="" type="checkbox"/> Independent compensation consultant	<input checked="" type="checkbox"/> Compensation survey or study
<input type="checkbox"/> Form 990 of other organizations	<input checked="" type="checkbox"/> Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

a The organization?

b Any related organization?

If "Yes," to line 5a or 5b, describe in Part III

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

a The organization?

b Any related organization?

If "Yes," to line 6a or 6b, describe in Part III

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b	Yes	
2	Yes	
4a		No
4b	Yes	
4c		No
5a		
5b		
6a		
6b		
7		
8		
9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(III) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual.

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information

Identifier	Return Reference	Explanation
SCHEDULE J, PART I, LINE 1A		First class travel is only available to the CEO as authorized by the board of directors. The travel is not taxable since it is part of an accountable plan. Tax indemnification is available to the CEO only and is included in taxable wages. The officers, key employees, and highest compensated employees have the option of receiving health club benefits under the executive flexible benefits account.
SCHEDULE J, PART I, LINE 4B		The following Officer and key employee participate in a supplemental nonqualified retirement program and were paid an actuarially determined supplemental retirement program benefit in 2011. Thomas Gallagher \$88,559 Julian Toney (UPON RETIREMENT) \$1,264,438
Schedule J, Part II, Column B	"BREAKDOWN OF W-2 AND/OR 1099 MISC COMPENSATION"	2011 W-2 TOTALS CONSIST OF TOTAL OF COLUMNS B(I), B(II), AND B(III) FROM SCHEDULE J. THESE AMOUNTS ARE W-2 REPORTABLE COMPENSATION AND WERE PAID TO EMPLOYEES IN 2011. 2011 W-2 TOTALS _____ THOMAS GALLAGHER \$619,557 DANIEL CHAVKA \$308,453 KEVIN PONTICELLI \$485,150 JULIAN TONEY (RETIRED) \$1,776,263 THOMAS SUBER \$492,043 JEAN RAGALIE \$424,232 GREGORY MILLER \$427,973 MARK LEITNER \$351,358 BARBARA O'BRIEN \$379,248
SCHEDULE J, PART II, COLUMN C	"Retirement and Other Deferred Compensation"	EXCEPT FOR JULIAN TONEY, None of the amounts contained in Column C were paid to employees during 2011 nor are considered W-2 reportable compensation in 2011. Column C is comprised of noncash benefits and book accruals for A) Employer funding to the qualified retirement and 401k plans B) Book accruals for estimated future benefits from the supplemental nonqualified employee retirement program and estimated future benefits from the nonqualified 401k makeup contribution program. The Supplemental nonqualified employee retirement and 401k makeup contribution programs are designed to restore lost benefits to the employee resulting from IRS benefit limitations on the qualified retirement and 401k plans, respectively.

SCHEDULE O
(Form 990 or 990-EZ)Department of the Treasury
Internal Revenue Service**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.
► Attach to Form 990 or 990-EZ.

2011**Open to Public
Inspection**Name of the organization
Dairy Management Inc**Employer identification number**

36-3992031

Identifier	Return Reference	Explanation
DAIRY MANAGEMENT, INC'S ACTIVITIES FOR 2011	FORM 990, PART III	<p>When the National Dairy Promotion and Research Board (NDB) was formed in 1983, its mission was to increase demand for US dairy products on behalf of US dairy farmers. This farmer-led and farmer-funded initiative shared a mission with another farmer-led and farmer-funded initiative, the United Dairy Industry Association (UDIA), created in 1971 to unite several local dairy promotion entities. Through their efforts, per capita dairy consumption has increased more than 14% since 1983. As non-profit entities, these organizations are grassroots created and grassroots-led with a single, unified mission. In 1995, the dairy farmer leadership realized that they could have a bigger impact on dairy demand if the NDB and UDIA combined efforts so they created Dairy Management Inc (DMI). By combining forces, farmer-funded promotion programs have maximized the impact of their promotion dollars through a coordinated and unified marketing plan that uses national and local resources in an efficient and effective manner. In 2011, dairy importers were represented through a 7.5-cents-per-hundred-weight investment. Dairy Management Inc (DMI) is a non-profit management organization that leads the farmer-funded dairy promotion programs nationwide. DMI manages national and local organizations and ensures that the principle of grassroots created, grassroots-led, remains the cornerstone of the company. DMI manages:</p> <ul style="list-style-type: none"> * American Dairy Association * National Dairy Council * Innovation Center for US Dairy * US Dairy Export Council * Dairy Research Institute <p>The mission of DMI is to increase sales and demand of US dairy products on behalf of US dairy producers and importers. The DMI board is comprised of dairy producers and dairy importer representatives from around the country who authorize the activities of the unified marketing plan. Funding for the plan comes from a 15 cent per hundred-weight assessment for farmers and 7.5 cents per hundred-weight from dairy importers. Governance of DMI is structured to maximize national and local representation on behalf of the nation's dairy producers and importers. Competitive Talent: DMI staff comes from a variety of backgrounds including a high percentage from for-profit consumer product goods companies (CPGs), advertising and public relations agencies and marketing firms. DMI retains staff that can effectively and efficiently work with a number of business partners which include Domino's Pizza, McDonald's, Kraft Foods, Deans Foods, LALA, HP Hood and Leprino Foods. The talent pool DMI recruits from are typically for-profit companies as described above. CPGs and agencies have a competitive advantage as they can offer stock options and other compensation benefits to their recruits. Despite that, DMI recruits and retains high performing talent because of the culture and opportunities that exist and because of the success that DMI has had in working with the industry to increase dairy sales. DMI offers a strong professional growth and development program and offers competitive compensation and benefits wherever possible. Unmet Demand: DMI and its affiliate organizations are focused on increasing dairy sales by meeting unmet demand. Unmet demand is the difference between existing sales and potential sales and can be captured by offering the products consumers want, when and where they want them. Unmet demand exists in many areas. Fluid Milk: Milk is a nutrient-rich product and essential to a healthy diet, but it is recognized that per capita consumption of fluid milk had slowly yet steadily declined over the past twenty years. As part of the effort to reverse this trend, DMI fielded a study among school-aged children in which children claimed that they would drink more milk at school if it tasted better, were offered in more flavors, looked more appealing and were more convenient. The study informed the development of new single-serve, re-sealable, contemporary milk packaging. Follow-up trials offering the enhanced product to students demonstrated an 18% improvement in milk sales. DMI took this research to the quick-serve industry and in 2004, two of the nation's top chains began offering an improved product. McDonald's increased their sales six-fold, and six years later, they remain at that level. Their success bred more success. Today, over 70,000 quick-serve restaurants plus 11,000 schools offer milk in an improved package and in more flavors. This research and the efforts of DMI to encourage adoption by schools and the quick-serve industry means two very important things:</p> <ul style="list-style-type: none"> * In 2006 per capita consumption of fluid milk rose for the first time in over two decades. * Today, 1.3 billion times a year, consumers get the product they want, when and where they want it which equates to over 250 million incremental pounds of milk sold each year. <p>The nation's largest restaurant chain, McDonald's, continues to be a "dairy destination" for millions of Americans as part of a multi-year partnership with DMI.</p>

Identifier	Return Reference	Explanation
DAIRY MANAGEMENT, INC'S ACTIVITIES FOR 2011	FORM 990, PART III	<p>* McCafe specialty coffees contain up to 80% milk and have been available nationwide for more than two years. These products alone use an additional million 300 pounds of milk annually. The line will continue to be updated with new varieties and flavors and continues to represent a true growth opportunity for dairy. Other major QSR chains such as Burger King have added specialty coffee lines as a result of McDonald's success.</p> <p>* Frappes, consisting of approximately 50 percent milk, are now in all of McDonald's 14,000 restaurants. The products, offered in mocha and caramel flavors, will use an additional 100 million pounds of milk annually. New varieties such as Chocolate Chip are added to the line every year to keep it exciting for consumers.</p> <p>* Real Fruit Smoothies, available in strawberry, wild berry and pineapple mango flavors, launched nationwide in July 2010 and use low-fat yogurt. The smoothies will require an additional 23 million pounds of milk annually.</p> <p>* New Fat Free Chocolate Milk rolled out nationally in March, 2012 as the beverage of choice in the new nutritionally improved Happy Meals. More kids are now choosing milk as their beverage with their Happy Meals. Chocolate Milk is now the featured beverage for Happy Meals in all national promotions and advertising.</p> <p>* There are more exciting new products yet to come. The chain has welcomed four DMI employees to work onsite fulltime at McDonald's Menu Development Center in Oak Brook, Illinois, in addition to the support of a Registered Dietician who spends 50% of her time at McDonald's and a dedicated relationship manager. These employees, who have an extensive dairy food science background, work side-by-side with the McDonald's team every day on a wide range of dairy-friendly beverages, sandwiches and dessert items as which will help grow dairy sales over the next few years. Over 24 new menu items where dairy is a key ingredient are in various stages of development, with our onsite team leading the projects. All these efforts are meeting unmet consumer demand.</p>

Identifier	Return Reference	Explanation
DAIRY MANAGEMENT, INC'S ACTIVITIES FOR 2011 (CONT)	FORM 990, PART III (CONT)	<p>DMI is also partnering with HP Hood and its Lactaid brand - the category leader with more than 70 percent of all lactose-free dairy sales - to help grow fluid milk sales. If we can recapture the 53 million U.S. adult consumers who currently restrict or avoid dairy consumption due to real or perceived lactose intolerance, it represents a tremendous opportunity to grow milk sales. If we can bring them back to dairy and get them to 3 servings daily of milk, cheese and yogurt, estimated dairy consumption could grow by approximately 2 billion pounds of milk annually. In 2010, the gap between lactose intolerant and Lactose tolerant purchasing of milk and cheese narrowed by 276 million pounds annually. To help meet this unmet demand, Lactaid has introduced new products such as half and half and the 96 ounce container -- the fastest-growing SKU in the category. In addition, five new processor entrants offering 13 new product SKUs joined the category since the start of the program. Additional efforts focus on health professional and consumer health and wellness education, which has had a marked impact on the recommendations health care providers are offering their patients as well as the way consumers are purchasing dairy. Cheese Per capita consumption of cheese steadily rose in the 80's, 90's and early 2000's. In the mid-late 2000's, consumption was flat and, in one area, down pizza cheese 25% of all cheese used in the U.S. is served on pizza. Dairy producers worked with leading pizza chains in the late 2000's to help revitalize this category, reverse the trend and grow cheese sales. Results have been very positive, domestic disappearance of Other Than American Cheese in 2011 increased 3.3%, or 2 billion pounds of milk, as compared to 2010. This results in two consecutive years of growth, disappearance was up 3.6%, or 2.1 billion pounds of milk, in 2010 vs 2009. Dairy producers continue to invest in the category, with Domino's Pizza, to ensure that the positive trend continues and that the category leaders continue to innovate and promote cheese-centric menu items. * In 2011, Domino's modified their Carryout Specials to align with their newly transformed business. In May 2011, they featured a Carryout Special from Monday - Wednesday, designed to drive traffic and sales during the slower part of the week. They were so pleased with the results that the promotion continued throughout the calendar year. Late 2011, Domino's launched their Stuffed Cheesy Bread line, with three varieties, each containing as much cheese as a medium pizza. Sales far exceeded Domino's expectations, and they continued to feature Stuffed Cheesy Bread on national TV in early 2012. Additionally, chains responded with cheesy breadsticks and continued their focus on pizza and cheese. * Dairy producers are into their third year of collaboration with Domino's in the area of school lunch. The Domino's Smart Slice line of six pizzas are now in over 310 school districts in 37 states, throughout the country. All pizzas were formulated to meet the new USDA school meal requirements, which go into effect in the fall of 2012. Domino's created a catalytic effect in this channel, as well, frozen pizza manufacturers have introduced new pizzas and Pizza Hut recently introduced a school lunch pizza program at the School Nutrition Association annual conference in July. When it comes to school, pizza remains the number one entrée. DMI is working with the pizza category leaders to reformulate their school pizza to meet tighter nutrition standards. Ensuring pizza is seen as a nutrient-rich food is essential as over 25% of all school meals include pizza. Cheeseburgers represent about 5% of all cheese use and DMI works with McDonald's and others on cheese focused menu items. DMI is working closely with McDonald's to develop new cheese varieties which will be used on a wide array of specialty sandwiches that are rolling out late 2012 and throughout 2013. In addition, our onsite scientists are leading development efforts for a natural cheese initiative which will lead to over 50% of cheese in McDonald's system being natural by 2017. This meets a consumer demand for more natural, unprocessed foods. Natural cheese also has 50% less sodium than processed, which is an important initiative for McDonald's. Natural Cheese utilizes approximately 20% more milk per pound compared to processed cheese, so the transition will lead to a significant increase in incremental pounds of milk utilized. Yogurt The yogurt category has seen tremendous growth - over 10% in the key grocery channels between 2006 and 2010 -- thanks to new product introductions that addressed unmet consumer demand. Through its science, consumer insights, and industry outreach, DMI has assisted the industry with product development and uncovering new consumer insights and trends that have assisted in fueling this growth. In addition, with the assistance of DMI, today yogurt is a mainstay menu item at quick serve.</p>

Identifier	Return Reference	Explanation
DAIRY MANAGEMENT, INC'S ACTIVITIES FOR 2011 (CONT)	FORM 990, PART III (CONT)	<p>restaurants, where just five years ago very few offered this product. This is further evidence that DMI, through partnerships with the quick serve industry, works to extend the places and times of day that yogurt is offered. Global Markets. In 1995, when dairy farmers created DMI, they also saw the potential for dairy sales internationally and founded the U.S. Dairy Export Council (USDEC), a non-profit, independent, membership organization that represents the export trade interests of U.S. farmers, processors and manufacturers. With over 100 member companies, USDEC works to enhance U.S. global competitiveness and assist the industry to increase global dairy ingredient sales and exports of U.S. dairy products. The organization accomplishes these goals through market development programs that seek to build overseas demand, resolve market access barriers and advance industry trade policy goals. Dairy exports have steadily grown in the past fifteen years and now a growing and significant proportion of the U.S. milk supply is sold overseas. In 2011, 13.3 percent of total milk solids production was exported, up from 12.8 percent in 2010. Such export expansion has been due in part to USDEC programming that provides professional export marketing support from its headquarters staff in Arlington, Virginia, and international representation in Mexico, South America, Europe, Middle East, Southeast Asia, China, Korea and Japan. For more information on USDEC, visit their web site www.usdec.org</p>

Identifier	Return Reference	Explanation
DAIRY MANAGEMENT, INC'S ACTIVITIES FOR 2011 (CONT)	FORM 990, PART III (CONT)	<p>Ingredients A few decades ago, whey was a by-product of cheese making that was spread on fields to help feed the crops. Today, it is a highly sought after protein source, used around the globe in everything from energy bars to smoothies. Dairy farmers and importers, through their checkoff program, support Dairy Research Centers at Universities across the nation. These centers conduct nutrition and product research and work together with USDA's Global Marketing Program to promote new uses for dairy ingredients. The outreach includes working with more than 20 companies on an annual basis to support development for consumer relevant products which include dairy ingredients. These products provide an important sales opportunity, utilizing billions of pounds of milk each year. And, by doing so, dairy checkoff has played an important role in supporting the phenomenal growth in value-added whey ingredient production - assisting in doubling the market between 2004 and 2011. Steady growth has continued over the past five years with these high value whey proteins increasing by 42.9% or 75 million pounds. Sustainability For centuries, dairy families and businesses have had a proud legacy of providing nutrient-rich products that promote good health and well-being throughout all stages of life. Dairy farmers' responsibility for the earth and a passion for consumer satisfaction come naturally. And today, there is growing consumer demand for healthy, environmentally sustainable products. In fact, research has indicated that consumers, including frequent milk users, are becoming more concerned with their personal impact on the environment. The general population is changing how and what they buy, and how they dispose of products in order to lead a more environmentally friendly lifestyle. Research shows that if consumers believe dairy is not only nutritious, good-tasting, and delivered at a good value, but also environmentally-friendly, then their consumption could increase. Through the U.S. Dairy Sustainability Commitment, established by dairy farmers in 2007, organizations at every step in our supply chain - from dairy farms to processors to the local grocer - have made an unprecedented commitment to work together to build on our legacy and identify and deploy sustainability innovations that make good business sense. The industry wide commitment to sustainability is designed to move innovation forward and to forge a more sustainable and profitable U.S. dairy industry. DMI staff has facilitated accomplishments including:</p> <ul style="list-style-type: none"> * Developing key strategic partnerships with governmental and nongovernmental organizations * Engaging more than 830 stakeholders who invested approximately 6,700 working days supporting sustainability projects throughout 2011 * Conducting research to set the record straight and establish baseline measures of dairy's environmental impact, from which we can tell our story of progress. Success through Partnerships DMI's impact on dairy sales in the U.S. and abroad is amplified by successful partnerships. The farmer and staff leadership at DMI realized early on that promotion funding was finite but its impact could be infinite. By working with the dairy industry, the quick serve industry, consumer product companies, health professional organizations, universities and others, DMI has extended the impact of dairy checkoff promotion dollars. DMI partnerships with industry leaders have resulted in billions of additional pounds of milk sold. This approach has been successful because DMI is: <ul style="list-style-type: none"> * Working with companies whose strategies are aligned with dairy producers * Working with category leader companies that can affect sales across the entire category, not just for a specific brand * Using industry investments to build on producer investments to help grow sales <p>In the fluid milk and cheese examples discussed earlier, for every \$1 that dairy producers contribute, our partners invested more than \$6. This includes equipment at restaurants to accommodate new specialty beverages, marketing and advertising campaigns, and dedicated dairy-specific menu development and innovation. Partnerships extend the impact of the farmer's promotion dollars which means more opportunities exist to meet unmet demand. DMI formed the Innovation Center for U.S. Dairy in 2008 to further amplify this business model by providing a forum for the dairy industry to pre-competitively address common barriers and opportunities for growth. Innovation Center priorities are dairy farmer priorities: Health and Wellness, Research and Insights, Globalization, Sustainability, and Consumer Confidence. The Innovation Center boasts participation from 200+ companies and more than 800 individuals, all volunteering time and resources to support industry growth and extending the impact of promotion dollars. Most recently, DMI founded the Dairy Research Institute to strengthen U.S. dairy's access to and the industry's investment in technical research to drive innovation.</p>

Identifier	Return Reference	Explanation
DAIRY MANAGEMENT, INC'S ACTIVITIES FOR 2011 (CONT)	FORM 990, PART III (CONT)	novation and grow sales in the United States and around the world. The Institute supports the nutrition, product and sustainability research needs of the industry on behalf of the National Dairy Council and the Innovation Center for US Dairy. In 2010, nearly \$3.5 million in non-checkoff resources from government and non-government sources, including direct dollars, in-kind services and volunteer manpower hours by industry and technical experts have been raised to support projects that improve efficiency, lower costs, add business value, and contribute to the sustainability of US dairy

Identifier	Return Reference	Explanation
DAIRY MANAGEMENT INC'S ACTIVITIES (CONT)	FORM 990, PART III (CONT)	<p>Health & Wellness Since 1915, the National Dairy Council (NDC) has funded research and provided education ensuring that dairy's naturally nutrient-rich package is protected and promoted as a critical part of a healthy lifestyle. Most recently this research was used to inform the 2010 Dietary Guidelines for Americans (DGA) process. The DGAs shape the nutritional guidelines for governmental feeding programs (including at schools), and are represented in the USDA Food Guide Pyramid. The results of this effort served as support for the role and value of 3 servings of low-fat and fat-free dairy foods each day, which was reinforced in the recent scientific report from the Dietary Guidelines Science Advisory Committee. There's a library worth of science proving dairy's health benefits and consumer desire for dairy. Dairy health and wellness is coming to life through the Child Nutrition and Fitness Initiative, a unique program which empowers students to improve their own health through good nutrition and physical activity. Through a partnership with the National Football League (NFL), DMI and the NFL are inspiring kids to fuel up with nutrient-rich dairy foods and get up and play 60 minutes of physical activity every day. This initiative stands apart from other obesity fighting efforts because the students lead the program evaluating their school's overall "wellness" and help choose the food and physical activities they want to do. Fuel Up to Play 60 (FUTP60) is now being implemented in over two-thirds of our nation's schools (more than 70,000), reaching 36 million students. Kids represent 100 percent of our future consumers. FUTP60 helps protect dairy's place in schools and helps grow sales by introducing dairy in breakfast and after-school snack offerings and in new packages and formulations. Other partners include the US Department of Agriculture, which signed a memorandum of understanding with DMI to bring more awareness and support for this program, health and nutrition organizations, including the American Academy of Pediatrics, the American Dietetic Association and the School Nutrition Association. In addition, the business community supports these efforts, including Domino's Pizza, Kraft Foods, LALA, HP Hood and Leprino Foods. Unique Local and National Resources Across the country there are more than 350 individuals working each day to promote and protect dairy. These people are experts in communications, school programs, nutrition affairs and marketing. They have decades-long relationships with school systems, health professional organizations and universities. Their efforts are coordinated into an annual unified marketing plan to ensure efficient and effective use of farmer resources. Partners are attracted to DMI and its local affiliates because of this unique and valuable resource that exists across the country. At its heart, dairy promotion is grassroots created and grassroots led. Over the years, the farmer leadership has encouraged DMI to grow sales, look for unmet demand opportunities and protect and promote dairy's place in a healthy diet. Per capita consumption of dairy products is up, from 522 pounds in 1983 to over 600 pounds today. Dairy farmers and importers benefit from the partnerships, nutrition research and product development efforts that they fund as the dairy checkoff and DMI help create new sales opportunities for dairy products, here and abroad. For more information on DMI and the dairy checkoff please visit dairyinfo.com</p>

Identifier	Return Reference	Explanation
DESCRIBE THE PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990	FORM 990, PART VI, LINE 11A	FORM 990 INFORMATION WAS DISCUSSED WITH THE OFFICERS OF THE BOARD OF DIRECTORS FORM 990 IS AVAILABLE TO BOARD MEMBERS FOR REVIEW UPON REQUEST MANAGEMENT REVIEWS THE 990 DETAILS FOR COMPLIANCE WITH THE ORGANIZATION'S TAX SPECIALISTS FROM ITS AUDIT AND TAX FIRM MANAGEMENT AND CORPORATE COUNCIL REVIEW THE POLICIES RELATING TO GOVERNANCE, MANAGEMENT AND DISLOSURE TO ENSURE AND MONITOR COMPLIANCE WITHIN THE ORGANIZATION

Identifier	Return Reference	Explanation
Description of Process to Monitor Transactions for Conflicts of Interest	FORM 990, PART VI, LINE 12C	POLICY REVIEWED IN DETAIL WITH THE BOARD OF DIRECTORS, MANAGEMENT AND ANNUALLY BY THE ORGANIZATION'S CORPORATE ATTORNEYS, AND THERE ARE PERIODIC COMPLIANCE DISCUSSIONS BETWEEN THE OFFICERS OF THE BOARD OF DIRECTORS AND MANAGEMENT DURING THE YEAR. BOARD MEMBERS ARE ASKED TO RECUSE THEMSELVES FROM VOTING IF THEY ARE PERSONALLY INVOLVED IN A MATTER

Identifier	Return Reference	Explanation
Offices & Positions for Which Process was Used, & Year Process was Begun	FORM 990, PART VI, LINE 15A AND 15B	COMPENSATION OF THE CEO IS DETERMINED BY INVOLVEMENT OF THE PERSONNEL COMMITTEE OF THE BOARD OF DIRECTORS AND FOR OTHER EMPLOYEES OF THE ORGANIZATION, THROUGH THE USE OF INDUSTRY SURVEYS, MARKET SALARY GUIDES AND OTHER COMPETITIVE COMPENSATION INFORMATION

Identifier	Return Reference	Explanation
AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC	FORM 990, PART VI, LINE 19	GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, WHISTLE BLOWER POLICY, DOCUMENT RETENTION POLICY AND FINANCIAL STATEMENTS ARE AVAILABLE UPON REQUEST

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME PATRICIA M BOETTCHER TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME BRIAN W ESPLIN TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JOHN B FISCALINI TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DAVID P CROWL TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DOUGLAS T DANIELSON TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME PAUL A FRITSCHE TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME STEVEN R HANSON TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JEFFREY A HARDY TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME NEIL A HOFF TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME KENTON W HOLLE TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME LARRY B JAGGERS TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMERITA P KENNEDY TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME RONALD L KOETSIER TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DOUGLAS L KRICKENBARGER TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME SHARON K LAUBSCHER TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME BYRON A LEHMAN TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME STEPHEN D MADDOX TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME:GEORGE E. MARSH TITLE:DIRECTOR HOURS:1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME RONALD R MCCORMICK TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME KEN MEYERS TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEZACHARY H MYERS TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DOUGLAS D NUTTELMAN TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ELLEN H PARADEE TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME RAY S PROCK TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME RANDY G ROECKER TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME CARL A SCHMITZ TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME BRAD SCOTT TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME RONALD E SHELTON TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME SANFORD STAUFFER TITLE TREASURER HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME SUSAN D K TROYER TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME CARL F VANDEN AVOND TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ARLENE J VANDER EYK TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME GIGI VITA TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME HAROLD "ANDY" WICK TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME LARRY ALEXANDER TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ELIZABETH (LIZ) ANDERSON TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME VICTOR BISSELL TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME PAUL BROERING TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME BOBBY COMBS TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME TOM CRONER TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME BRYAN DAVIS TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME AUDREY DONAHOE TITLE DIRECTOR HOURS 1

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HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME TOM DORSEY TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME PAUL DOTON TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME GLEN EASTER TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME STEVE P FRISCHKNECHT TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JOEL GONZALEZ TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMER STEVEN GRAYBEAL TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DAN GRUNHOVD TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DONALD GURTNER TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME LESTER E HARDESTY TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DAVID "SKIP" HARDIE TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JERREL HEATWOLE TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME VERNON HORST TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JOHN HOWERTON TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME RON HURLIMAN TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DWAIN JUNCK TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ROBERT KRAM TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JOHN M LARSON TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ALLEN MERRILL TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JERRY G MESSER TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME KEN NOBIS TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME LYNN RAMSEY TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JIM REID TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEARIE ROELOFFS TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME PAUL E ROVEY TITLE CHAIR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME NORBERT SCHMIDT TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME CONNIE SEEFELDT TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME WILLIAM B SIEBENBORN TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME ROBERT SMIT TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JOAN D SMITH TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JAY STAUFFACHER TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME BERNIE TEUNISSEN TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JOHN TRAWEK TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JERRY TRUELOVE TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DAVE VEENHOUWER TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME TOM A WOODS TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME JAMES L AHLEM TITLE VICE CHAIR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME RENAE A DE JAGER TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAMEW RYAN ANGLIN TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME MARK E ERDMAN TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME CARROLL V WADE TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME PAULA A MEABON TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME DAN RICE TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME EARL STITZLEIN TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME EARL HORNING TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME BILLY TRAVIS TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME MICHAEL FERGUSON TITLE DIRECTOR HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Thomas Gallagher TITLE CEO HOURS 1

Identifier	Return Reference	Explanation
HOURS DEVOTED FOR RELATED ORGANIZATION	FORM 990 PART VII	NAME Daniel Chavka TITLE CFO HOURS 1

SCHEDULE R (Form 990)

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2011

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Name of the organization

Dairy Management Inc.

Employer identification number

36-399203

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III or IV**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)
- f** Sale of assets to related organization(s)
- g** Purchase of assets from related organization(s)
- h** Exchange of assets with related organization(s)
- i** Lease of facilities, equipment, or other assets to related organization(s)
- j** Lease of facilities, equipment, or other assets from related organization(s)
- k** Performance of services or membership or fundraising solicitations for related organization(s)
- l** Performance of services or membership or fundraising solicitations by related organization(s)
- m** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- n** Sharing of paid employees with related organization(s)
- o** Reimbursement paid to related organization(s) for expenses
- p** Reimbursement paid by related organization(s) for expenses
- q** Other transfer of cash or property to related organization(s)
- r** Other transfer of cash or property from related organization(s)

	Yes	No
1a		No
1b		No
1c		No
1d		No
1e		No
1f		No
1g		No
1h		No
1i		No
1j		No
1k		No
1l		No
1m		No
1n	Yes	
1o		No
1p	Yes	
1q		No
1r		No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) UNITED DAIRY INDUSTRY ASSOCIATION	N	625,224	CASH
(2) UNITED DAIRY INDUSTRY ASSOCIATION	P	30,187,260	CASH
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

Part VII Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation