

Form **990**
 Department of the Treasury
 Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public
 ▶ Information about Form 990 and its instructions is at www.irs.gov/form990

OMB No 1545-0047
2016
Open to Public Inspection

A For the 2016 calendar year, or tax year beginning 01-01-2016, and ending 12-31-2016

- B** Check if applicable
- Address change
 - Name change
 - Initial return
 - Final
 - Return/terminated
 - Amended return
 - Application pending

C Name of organization
 DAIRY MANAGEMENT INC

% Quinton Baily
 Doing business as

Number and street (or P O box if mail is not delivered to street address) Room/suite
 10255 W Higgins Road suite 900

City or town, state or province, country, and ZIP or foreign postal code
 Rosemont, IL 60018

D Employer identification number
 36-3992031

E Telephone number
 (847) 803-2000

G Gross receipts \$ 157,671,907

F Name and address of principal officer
 Thomas Gallagher
 10255 W Higgins Road Ste 900
 Rosemont, IL 60018

H(a) Is this a group return for subordinates? Yes No

H(b) Are all subordinates included? Yes No
 If "No," attach a list (see instructions)

H(c) Group exemption number ▶

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

J Website: ▶ WWW DAIRY ORG

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 DESIGNATED TO INCREASE CONSUMPTION OF 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 2016 (Part V, line 2a)	5	281
6 Total number of volunteers (estimate if necessary)	6	42
7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
7b Net unrelated business taxable income from Form 990-T, line 34	7b	

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	0	0
9 Program service revenue (Part VIII, line 2g)	148,169,115	157,671,907
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)	148,169,115	157,671,907
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	2,785,000	1,610,000
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)	28,151,080	36,470,241
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)	117,233,035	119,591,666
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	148,169,115	157,671,907
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)	21,804,647	40,555,346
21 Total liabilities (Part X, line 26)	21,804,647	40,555,346
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 attachments and all information furnished herein, 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
 Quinton Baily CFO
 Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name ERICA YIKE Preparer's signature ERICA YIKE

Firm's name ▶ ERNST & YOUNG US LLP

Firm's address ▶ 950 MAIN AVENUE SUITE 1800
 CLEVELAND, OH 44113

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line 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 U S 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? Yes No

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

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

If "Yes," describe these changes on Schedule O

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 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 \$)
See Additional Data

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

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

4d Other program services (Describe in Schedule O)
(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ▶

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>		No
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?		No
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		No
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? <i>If "Yes," complete Schedule C, Part II</i>		
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? <i>If "Yes," complete Schedule C, Part III</i>		No
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? <i>If "Yes," complete Schedule D, Part I</i> 🗑️		No
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> 🗑️		No
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> 🗑️		No
9 Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> 🗑️		No
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> 🗑️		No
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? <i>If "Yes," complete Schedule D, Part VI</i> 🗑️	Yes	
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? <i>If "Yes," complete Schedule D, Part VII</i> 🗑️		No
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? <i>If "Yes," complete Schedule D, Part VIII</i> 🗑️		No
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? <i>If "Yes," complete Schedule D, Part IX</i> 🗑️	Yes	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> 🗑️	Yes	
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)? <i>If "Yes," complete Schedule D, Part X</i> 🗑️		No
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> 🗑️	Yes	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> 🗑️		No
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		No
14a Did the organization maintain an office, employees, or agents outside of the United States?		No
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? <i>If "Yes," complete Schedule F, Parts I and IV</i>		No
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		No
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		No
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? <i>If "Yes," complete Schedule G, Part I</i> (see instructions)		No
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		No
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		No

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include 20a, 20b, 21, 22, 23, 24a, 24b, 24c, 24d, 25a, 25b, 26, 27, 28a, 28b, 28c, 29, 30, 31, 32, 33, 34, 35a, 35b, 36, 37, 38.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with columns for question ID, question text, and Yes/No response boxes. Includes sections for backup withholding, employee reporting, foreign accounts, prohibited tax shelter transactions, deductible contributions, and 501(c)(7), (12), and (29) organizations.

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 or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year (81); 1b Enter the number of voting members included in line 1a, above, who are independent (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? (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? (No); 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? (No); 5 Did the organization become aware during the year of a significant diversion of the organization's assets? (No); 6 Did the organization have members or stockholders? (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? (No); 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? (No); 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? (Yes); b Each committee with authority to act on behalf of the governing body? (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 (No)

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

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? (No); 10b 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? (No); 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? (No); 11b Describe in Schedule O the process, if any, used by the organization to review this Form 990; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 (Yes); 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (Yes); 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done (Yes); 13 Did the organization have a written whistleblower policy? (Yes); 14 Did the organization have a written document retention and destruction policy? (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 (Yes); b Other officers or key employees of the organization (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? (No); 16b 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?

Section C. Disclosure

Table with 3 columns: Question, Yes, No. Rows include: 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, [X] Upon request, [] Other (explain in Schedule O); 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 during the tax year; 20 State the name, address, and telephone number of the person who possesses the organization's books and records: Quinton Baily, 10255 W Higgins Rd Ste 900 Rosemont, IL 60018 (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 or note to any line 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. 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 organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Former			
See Additional Data Table										

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

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Former			
See Additional Data Table										

1b Sub-Total			
1c Total from continuation sheets to Part VII, Section A			
1d Total (add lines 1b and 1c)	4,459,519	238,400	719,164

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 ▶ **118**

	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>		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>	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>		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 Inc, 200 East Randolph Street Chicago, IL 60601	Agency services	15,136,523
NFL Properties LLC, PO Box 27278 New York, NY 10087	Promotion	5,380,950
MMS Education, 105 Terry Drive Suite 120 Newtown, PA 18940	Agency services	3,982,055
NTT Data Inc, 100 City Square Boston, MA 02129	INFORMATION TECH SVS	3,183,783
Information Resources Inc, 150 N Clinton Street Chicago, IL 60661	Agency services	1,605,807

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 ▶ **37**

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
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	102,712,024	102,712,024		
	b Core funding revenue	900099	48,890,938	48,890,938		
	c Contract services revenue	900099	6,068,945	6,068,945		
	d _____					
	e _____					
	f All other program service revenue					
g Total. Add lines 2a-2f		157,671,907				
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				
		(ii) Personal				
		b Less rental expenses				
		c Rental income or (loss)	0	0		
	d Net rental income or (loss)		0			
	7a Gross amount from sales of assets other than inventory	(i) Securities				
		(ii) Other				
		b Less cost or other basis and sales expenses				
		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	a		0		
		b Less direct expenses		0		
c Net income or (loss) from fundraising events			0			
9a Gross income from gaming activities See Part IV, line 19	a		0			
	b Less direct expenses		0			
	c Net income or (loss) from gaming activities		0			
10a Gross sales of inventory, less returns and allowances	a		0			
	b Less cost of goods sold		0			
	c Net income or (loss) from sales of inventory		0			
11a Miscellaneous Revenue	Business Code					
	b _____					
	c _____					
	d All other revenue					
	e Total. Add lines 11a-11d		0			
12 Total revenue. See Instructions		157,671,907	157,671,907			

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).

Check if Schedule O contains a response or note to any line 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 domestic organizations and domestic governments. See Part IV, line 21.	1,610,000			
2 Grants and other assistance to domestic individuals. See Part IV, line 22.	0			
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, line 15 and 16.	0			
4 Benefits paid to or for members.	0			
5 Compensation of current officers, directors, trustees, and key employees.	2,077,138			
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.	17,593,930			
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions).	13,456,282			
9 Other employee benefits.	1,971,839			
10 Payroll taxes.	1,371,052			
11 Fees for services (non-employees)				
a Management.	0			
b Legal.	641,850			
c Accounting.	106,533			
d Lobbying.	0			
e Professional fundraising services. See Part IV, line 17.	0			
f Investment management fees.	0			
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O).	34,340			
12 Advertising and promotion.	0			
13 Office expenses.	1,286,928			
14 Information technology.	2,791,112			
15 Royalties.	0			
16 Occupancy.	1,790,151			
17 Travel.	3,571,022			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.	0			
19 Conferences, conventions, and meetings.	1,124,414			
20 Interest.	108,569			
21 Payments to affiliates.	0			
22 Depreciation, depletion, and amortization.	328,638			
23 Insurance.	98,885			
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Domestic marketing.	72,926,600			
b EXPORT.	19,544,629			
c Contract services.	6,068,945			
d RESEARCH.	7,632,682			
e All other expenses.	1,536,368			
25 Total functional expenses. Add lines 1 through 24e.	157,671,907			
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720).	0			

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part IX

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	1,020,827	1	4,555,640
	2 Savings and temporary cash investments	0	2	0
	3 Pledges and grants receivable, net	0	3	0
	4 Accounts receivable, net	1,155,753	4	1,444,671
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L	0	5	0
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	0	7	7,080,945
	8 Inventories for sale or use	0	8	0
	9 Prepaid expenses and deferred charges	1,038,494	9	742,877
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 5,201,683		
	b Less accumulated depreciation	10b 4,094,064	1,398,966	10c 1,107,619
	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	17,190,607	15	25,623,594
16 Total assets. Add lines 1 through 15 (must equal line 34)	21,804,647	16	40,555,346	
Liabilities	17 Accounts payable and accrued expenses	21,678,286	17	17,524,438
	18 Grants payable	0	18	0
	19 Deferred revenue	126,361	19	169,876
	20 Tax-exempt bond liabilities	0	20	0
	21 Escrow or custodial account liability Complete Part IV of Schedule D	0	21	0
	22 Loans and other 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	20,900,000
	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	0	25	1,961,032
	26 Total liabilities. Add lines 17 through 25	21,804,647	26	40,555,346
Net Assets or Fund Balances	27 Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34. Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	30 Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34. 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	21,804,647	34	40,555,346

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	157,671,907
2	Total expenses (must equal Part IX, column (A), line 25)	2	157,671,907
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	Net unrealized gains (losses) on investments	5	0
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	
10	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	0

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

	Yes	No
<p>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</p>		
<p>2a Were the organization's financial statements compiled or reviewed by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis</p>		No
<p>b Were the organization's financial statements audited by an independent accountant? If 'Yes,' check a box below to indicate whether the financial statements for the year were audited 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 separate basis</p>	Yes	
<p>c If "Yes," to line 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</p>	Yes	
<p>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?</p>		No
<p>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</p>		

Software ID:**Software Version:****EIN:** 36-3992031**Name:** DAIRY MANAGEMENT INC

Form 990 (2016)

Form 990, Part III, Line 4a:

DMI PARTNERS WITH FOODSERVICE INDUSTRY LEADERS TO HELP CREATE DAIRY-BASED INNOVATION TO DRIVE DAIRY SALES AND BUILD TRUST IN DAIRY PRODUCTS IN 2016, WE HAD FOUR MARKETPLACE PARTNERS DOMINO'S, PIZZA HUT, TACO BELL, AND MCDONALD'S. DMI PARTNERS WITH THESE LARGE CATALYTIC COMPANIES BECAUSE THEY ARE INDUSTRY LEADERS WHO HAVE THE POTENTIAL TO DELIVER INCREMENTAL AND SUSTAINABLE DAIRY SALES, THEY COMMIT TO INVEST IN INNOVATION AND MARKETING IN SUPPORT OF DAIRY-BASED PRODUCTS, AND THEY ARE WILLING TO PARTNER ON OTHER DAIRY INDUSTRY PRIORITIES. DMI SUPPORTS A RANGE OF PROGRAMS AND INITIATIVES WITH THESE INFLUENTIAL AND GLOBAL FOODSERVICE INDUSTRY LEADERS. THE PROGRAMS FOCUS ON PROVIDING DAIRY EXPERTISE AND INVESTMENT IN THE AREAS OF CONSUMER INSIGHTS, NEW PRODUCT DEVELOPMENT, STORE AND MARKET LEVEL TESTS, PROMOTIONS AND CONSUMER COMMUNICATIONS. FURTHER, DMI PROVIDES ON-SITE SCIENTISTS AND/OR CULINARY EXPERTS WHO DELIVER SUPPORT IN THE DEVELOPMENT OF DAIRY-BASED FOOD AND BEVERAGE PRODUCTS. DMI ALSO PROVIDES EXPERTISE AND CONSULTANTS IN THE AREAS OF NUTRITION, SUSTAINABILITY, ANIMAL CARE, FOOD SAFETY, REGULATORY ENVIRONMENT, AND DAIRY COMMUNICATIONS. DAIRY REPRESENTS A SUBSTANTIAL PORTION OF THE PARTNERS' MENUS. IN FACT, IT IS MORE THAN 70% OF ALL THEIR MENU ITEMS. SINCE 2012 THESE PARTNERS HAVE SPENT \$8.6 BILLION ON ADVERTISING, A SIZEABLE PORTION OF THIS SPENDING FEATURED DAIRY-BASED PRODUCTS SUCH AS PIZZA, TACOS, ICE CREAM AND COFFEE DRINKS. SINCE THE START OF THESE PARTNERSHIPS IN 2009, THEIR COMBINED MILK EQUIVALENT TONNAGE HAS GROWN BY 1.8 BILLION MILK POUNDS AND 4.1%. RECENT HIGHLIGHTS INCLUDE MCDONALD'S OCTOBER 2015 TRANSITION FROM MARGARINE TO BUTTER. THE COMMERCIALIZATION AND TRANSITION FROM MARGARINE TO BUTTER WAS LED BY A DMI SCIENTIST AND, AFTER CONVERTING THE BUTTER TO MILK POUNDS, RESULTED IN AN ADDITIONAL 600 MILLION POUNDS OF MILK. DMI ALSO LED THE DEVELOPMENT AND COMMERCIALIZATION OF MCDONALD'S MOZZARELLA STICKS, WHICH LAUNCHED IN LATE 2015. IN 2016 DMI SCIENTISTS LED DEVELOPMENT AND COMMERCIALIZATION OF SEVERAL PROJECTS SCHEDULED FOR LAUNCH IN 2017. THESE INCLUDED A SHAMROCK CHOCOLATE MADNESS EVENT, WHERE DMI HELPED CREATE FOUR NEW DAIRY BASED PRODUCTS AND INCORPORATED THE REAL SEAL TO HIGHLIGHT QUALITY DAIRY INGREDIENTS. ADDITIONALLY, DMI HELPED DEVELOP A NEW BURGER AND CHICKEN PLATFORM CALLED SIGNATURE CRAFTED RECIPES. THESE ARE PREMIUM BEEF AND CHICKEN RECIPES THAT ALL INCLUDE WHITE CHEDDAR CHEESE. IN 2016 DMI INVESTED IN TECHNOLOGY INNOVATION PLATFORMS AT DOMINO'S, WHICH EXPAND AVAILABILITY AND ACCESS TO PIZZA. DMI ALSO INVESTED IN A 'BLACK FRIDAY' PROMOTION TO HELP AID IMPACTFUL MEDIA PROVIDERS AND PROGRAMS AND EXTEND THE PROMOTIONAL DAYS. DOMINO'S AND DMI CONTINUED TO PARTNER ON ITS 'SMART SLICE' SCHOOL PIZZA PROGRAM. SMART SLICE IS NOW IN MORE THAN 7,500 SCHOOLS. IN 2016, DMI HELPED EXPAND SMART SLICE INTO THE COLLEGE AND PROFESSIONAL SPORTS CHANNELS THROUGH OUR DIETIC INDUSTRY RELATIONSHIPS. COLLEGE EXAMPLES INCLUDE THE UNIVERSITY OF NOTRE DAME, THE UNIVERSITY OF ALABAMA AND THE UNIVERSITY OF SOUTHERN CALIFORNIA. PROFESSIONAL SPORT TEAMS INCLUDE THE LOS ANGELES ANGELS AND AFFILIATES AND THE PITTSBURGH PIRATES AND AFFILIATES. DOMINO'S ALSO SUPPORTS BUILDING TRUST IN THE DAIRY INDUSTRY, INCLUDING SUPPORTING FUTURE FARMERS OF AMERICA WITH A \$1 MILLION SCHOLARSHIP COMMITMENT. IN 2016 IN 2016 DMI ENTERED A NEW CONTRACT WITH PIZZA HUT THAT WILL ENABLE DMI TO LEAD THE DEVELOPMENT OF NEW PRODUCT PLATFORMS THROUGH PROVIDING BREAKTHROUGH INNOVATION FOCUSED ON PUTTING "CHEESE IN MORE PLACES". AN EXAMPLE OF THIS WAS THE 2016 INTRODUCTION OF PIZZA HUT GRILLED CHEESE STUFFED CRUST PIZZA WHICH INCLUDED DOUBLE THE CHEESE OF A REGULAR ONE TOPPING PIZZA AT PIZZA HUT. THE PRODUCT DEVELOPMENT WAS LED BY AN ON-SITE DMI SCIENTIST. PIZZA HUT ALSO INTRODUCED A NEW "KNOT" PLATFORM THAT STUFFED CHEESE IN A STUFFED GARLIC KNOT PIZZA THAT HAD 40% MORE CHEESE THAN A REGULAR ONE TOPPING PIZZA. SINCE THE TACO BELL PARTNERSHIP BEGAN DMI HAS HELPED TACO BELL EVOLVE IN HOW THEY USE DAIRY, FROM INCORPORATING IT AS A 'GARNISH' TO EVOLVING INTO BEING MORE OF A KEY INGREDIENT TO DRIVE FLAVOR, PROTEIN AND/OR INNOVATION. IN 2016 DMI LED A MAJOR BREAKTHROUGH FOR TACO BELL IN LEADING THE DEVELOPMENT AND LAUNCH OF THE QUESALUPA. THIS INNOVATIVE OFFERING FEATURES AN OUNCE OF NATURAL PEPPER JACK CHEESE INSIDE TWO FLOUR TORTILLAS THAT ARE PRESSED TOGETHER TO CREATE A NEW CHEESY SHELL. THE QUESALUPA SHELL IS FORMED INTO A TACO USING A PROPRIETARY PROCESS DEVELOPED BY THE DMI SCIENTIST. EACH QUESALUPA UTILIZES FIVE TIMES AS MUCH CHEESE AS A REGULAR CRUNCHY TACO. TACO BELL HAD THE IDEA FOR THE QUESALUPA YEARS AGO BUT WAS UNABLE TO PRODUCE IT UNTIL THE ON-SITE SCIENTIST, BACKED BY DAIRY FARMER FUNDING OF CONSUMER RESEARCH AND PRODUCT TESTING, WAS ABLE TO BRING THE QUESALUPA TO LIFE. THE LAUNCH OF THE QUESALUPA HELPED TACO BELL ACHIEVE MILK EQUIVALENT TONS GROWTH OF 10% IN 2016. FURTHER, IN RECOGNITION OF THE TREMENDOUS WORK, DMI'S SCIENTIST WAS AWARDED THE "YUM AWARD" FROM GREG CREED, CEO OF YUM BRANDS. THIS PRESTIGIOUS AWARD IS GIVEN TO SOMEONE WHO SHOWS TENACITY IN ACHIEVING SUPERIOR RESULTS. DMI'S EMPLOYEE WAS THE FIRST TACO BELL PARTNER TO WIN THIS EXCLUSIVE AWARD. FLUID MILK PARTNERSHIPS: THE DAIRY CHECKOFF PROGRAM, WORKING WITH COMMITTED MILK PROCESSORS, HAS EMBARKED ON A COMPREHENSIVE REVITALIZATION STRATEGY TO REINVENT THE MILK EXPERIENCE FOR CONSUMERS. THE FOCUS INCLUDES MILK AS A STAND-ALONE BEVERAGE AS WELL AS AN INGREDIENT IN OTHER BEVERAGE SEGMENTS SUCH AS COFFEE, TEA, SMOOTHIES, ENERGY DRINKS AND MORE. AS PART OF THE EFFORTS TO REVITALIZE FLUID MILK THE DMI BOARD APPROVED PARTNERSHIPS WITH EIGHT COMPANIES WHO ARE LEADERS AND INNOVATORS IN THE MILK AND BEVERAGE ARENA INCLUDING DAIRY FARMERS OF AMERICA (DFA), DARIGOLD/NORTHWEST DAIRY ASSOCIATION, THE KROGER COMPANY, HP HOOD, MARYLAND & VIRGINIA MILK PRODUCERS COOPERATIVE ASSOCIATION, INC., SHAMROCK FARMS, SOUTHEAST MILK, INC., AND COCA-COLA/FAIRLIFE. THE HP HOOD PARTNERSHIP CAME TO A CONCLUSION IN 2015. THE REMAINING PARTNERSHIPS WERE ACTIVE IN 2016. DMI'S PARTNERSHIP WITH HP HOOD STARTED IN 2012 AND CONCLUDED IN FEBRUARY 2015. THE CHECKOFF PROGRAM SUPPORTED LACTAID INNOVATION, MARKETING, AND HEALTH PROFESSIONAL OUTREACH, WHICH SPURRED INNOVATION AND GROWTH IN THE LACTOSE-FREE SEGMENT OVERALL. THE ENTIRE LACTOSE-FREE SEGMENT GREW 15% IN 2016. DMI ASSISTED AND INVESTED IN THE LAUNCH OF A NATIONAL BRAND LEVERAGING THE RESOURCES AND SCALE OF COCA-COLA. FAIRLIFE CONTINUES TO GROW AGGRESSIVELY, ACHIEVING DOLLAR SALES OF \$175M AND GROWTH OF 84% IN 2016, WHILE ALSO GAINING RECOGNITION AS A TOP TEN NEW PRODUCT LAUNCH FROM INFORMATION RESOURCES, INC. (IRI). IN LATE 2015 DMI PARTNER DAIRY FARMERS OF AMERICA (DFA) LAUNCHED A NEW BRAND - LIVE REAL FARMS AN ENERGY DRINK THAT APPEALS TO THE MODERN CONSUMER. THE PRODUCT, IN LIMITED TEST MARKETS, IS A BLEND OF MILK, JUICE AND NATURAL INGREDIENTS THAT ARE FRESH FROM THE FARM. DMI'S TEAM PROVIDED CONSUMER INSIGHT AND ASSISTED IN THE FORMULATION DEVELOPMENT OF THE PRODUCT, CONSUMER TESTING, AND BRAND MARKETING. DMI PARTNERED WITH DARIGOLD AND KROGER TO IDENTIFY OPTIMAL CONSUMER TARGETS AND DEVELOPED SEVERAL INNOVATION PLATFORM AREAS. CURRENTLY THE FIRST OF THOSE PLATFORM AREAS IS GETTING READY FOR LAUNCH IN 2017. DMI IS HELPING DEVELOP OPTIMAL BRAND POSITIONING, PACKAGING AND NEW PRODUCT TERRITORIES FOR MARYLAND & VIRGINIA MILK COOPERATIVE AND SOUTHEAST MILK INC., TARGETING A 2017 LAUNCH. DMI WORKED WITH SHAMROCK FOODS TO PROVIDE CONSUMER AND NUTRITION INSIGHTS IN SUPPORT OF THE UPCOMING 2017 LAUNCH OF SHAMROCK FARMS COLD BREW COFFEE. OUR PARTNERSHIPS ARE ALREADY STIMULATING CHANGE IN THE INDUSTRY AND FUNDAMENTALLY CHANGING THE WAY THE FLUID MILK INDUSTRY DOES BUSINESS BY DRIVING INVESTMENT IN MODERN INFRASTRUCTURE, BY CREATING NEW PRODUCTS AND NEW BRANDS, BY STIMULATING INCREASED ADVERTISING AND STRONGER CONSUMER MESSAGING, AND BY FORGING NEW GROWTH STRATEGIES AND CREATING SUSTAINABLE GROWTH MODELS. SINCE THE START OF DMI PARTNERSHIPS, MORE THAN \$700 MILLION HAS BEEN SPENT TO UPGRADE OR BUILD NEW PLANT FACILITIES WITH ENHANCED CAPABILITIES TO PRODUCE EXTENDED SHELF LIFE OR SHELF-STABLE PRODUCTS. DMI PARTNERS HAVE HIRED INDIVIDUALS TO SUPPORT AND STAFF INNOVATION PROJECTS. ADDITIONALLY, THE MILK INDUSTRY HAS INCREASED INVESTMENTS IN MILK ADVERTISING, WITH SPENDING OF \$81 MILLION IN 2016, WHICH IS 1.8 TIMES 2013 ADVERTISING LEVELS.

Form 990, Part III, Line 4b:

EXPORT DMI IMPLEMENTS MARKETING PROGRAMS TO FACILITATE THE SALES OF U S PRODUCED DAIRY PRODUCTS IN INTERNATIONAL MARKETS AND U S PRODUCED DAIRY INGREDIENTS WITHIN AND OUTSIDE THE UNITED STATES DMI ALSO PROVIDES TRADE POLICY AND ACCESS SUPPORT FOR EXPORTS INTO INTERNATIONAL MARKETS

Form 990, Part III, Line 4c:

FUEL UP TO PLAY 60 (FUTP 60) IS DAIRY'S BEST SUCCESS STORY WHEN IT COMES TO ADVANCING HEALTH AND WELLNESS AMONG YOUTH. AT ITS CORE, FUTP 60 IS AN IN-SCHOOL HEALTH AND WELLNESS PROGRAM DESIGNED TO ENGAGE AND EMPOWER YOUTH TO TAKE ACTION FOR THEIR OWN HEALTH BY IMPLEMENTING LONG-TERM, POSITIVE CHANGES FOR THEMSELVES, THEIR SCHOOLS AND BEYOND. CUSTOMIZABLE AND NON-PRESCRIPTIVE PROGRAM COMPONENTS ARE GROUNDED IN RESEARCH WITH YOUTH, INCLUDING TOOLS AND RESOURCES, IN-SCHOOL PROMOTIONAL MATERIALS, A WEBSITE AND STUDENT ENGAGEMENT ACTIVITIES. FUTP 60 WAS FOUNDED BY THE NATIONAL DAIRY COUNCIL (NDC) AND THE NATIONAL FOOTBALL LEAGUE (NFL), IN COLLABORATION WITH THE U.S. DEPARTMENT OF AGRICULTURE. SINCE THAT TIME, FUTP60 HAS BECOME THE LARGEST IN-SCHOOL HEALTH & WELLNESS PROGRAM IN THE UNITED STATES WITH OVER 73,000 SCHOOLS ENROLLED, REACHING 38 MILLION STUDENTS SINCE LAUNCHING NATIONALLY IN 2009. THE PROGRAM HAS HELPED TO CHANGE SCHOOL ENVIRONMENTS TO BETTER SUPPORT PROPER NUTRITION AND PHYSICAL ACTIVITY. THE PROGRAM HAS NOT ONLY BEEN WELL RECEIVED BY SCHOOLS AS IT HELPS THEM IMPROVE THE SCHOOL HEALTH AND WELLNESS ENVIRONMENT, BUT ALSO HAS BEEN EMBRACED BY THOSE OUTSIDE OF THE DAIRY INDUSTRY WHO SEE THE VALUE OF ENGAGING IN THE PROGRAM INCLUDING MANY OTHER HEALTH AND NUTRITION ORGANIZATIONS. OUR SUCCESS WITH FUTP 60 GOES BEYOND HEALTHY EATING AND PHYSICAL ACTIVITY IN SCHOOLS. IT IS ABOUT THE TOTAL HEALTH OF THE CHILD, FROM THE HUNGRY TO THE HEALTHY.

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Former			
CAROL AHLEM DIRECTOR	1 0 0 0	X						0	0	0
LARRY ALEXANDER DIRECTOR	1 0 0 0	X						0	5,200	0
ELIZABETH ANDERSON DIRECTOR	1 0 0 0	X						0	4,100	0
RYAN ANGLIN DIRECTOR	1 0 0 0	X						0	0	0
STEVE BALLARD DIRECTOR	1 0 0 0	X						0	0	0
BRUCE BARTLEY DIRECTOR	1 0 0 0	X						0	0	0
VICTOR BISSELL DIRECTOR	1 0 0 0	X						0	3,500	0
CELESTE BLACKBURN DIRECTOR	1 0 0 0	X						0	0	0
PAM BOLIN DIRECTOR	1 0 0 0	X						0	4,900	0
CHRISTOPHER BRAZIL DIRECTOR	1 0 0 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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Former			
JOHN BRUBAKER DIRECTOR	1 0 1 0	X						0	6,600	0
RICHARD BYMA DIRECTOR	1 0 1 0	X						0	4,400	0
CRAIG CABALLERO DIRECTOR	1 0 1 0	X						0	4,400	0
WARREN L CHAMBERLAIN DIRECTOR	1 0 0 0	X						0	0	0
CHERI CHAPIN DIRECTOR	1 0 0 0	X						0	0	0
DAVID P CROWL DIRECTOR	1 0 0 0	X						0	0	0
BRYAN DAVIS DIRECTOR	1 0 1 0	X						0	5,200	0
RENAE A DE JAGER DIRECTOR	1 0 0 0	X						0	0	0
RAYMOND L DIEDERICH DIRECTOR	1 0 0 0	X						0	0	0
AUDREY DONAHOE DIRECTOR	1 0 1 0	X						0	5,400	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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Former			
THOMAS DORSEY DIRECTOR	1 0 1 0	X						0	8,000	0
PAUL DOTON DIRECTOR THRU NOV 2016	1 0 1 0	X						0	3,800	0
GLEN EASTER DIRECTOR	1 0 1 0	X						0	3,200	0
BRIAN ESPLIN DIRECTOR	1 0 1 0	X						0	6,400	0
LYNDA FOSTER DIRECTOR	1 0 0 0	X						0	0	0
CHACE FULLMER DIRECTOR THRU NOV 2016	1 0 1 0	X						0	4,400	0
DAN GILBERT DIRECTOR	1 0 1 0	X						0	4,800	0
DONALD GURTNER DIRECTOR THRU NOV 2016	1 0 1 0	X						0	5,100	0
LARRY HANCOCK TREASURER	1 0 0 0	X						0	0	0
DAVID 'SKIP' HARDIE SECRETARY	1 0 1 0	X						0	7,800	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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Former			
JEFFREY A HARDY DIRECTOR	1 0 1 0	X						0	0	0
JERREL HEATWOLE DIRECTOR	1 0 1 0	X						0	1,800	0
WILLIAM HERR DIRECTOR	1 0 0 0	X						0	0	0
MARILYN HERSHEY VICE CHAIR	1 0 0 0	X						0	0	0
NEIL HOFF DIRECTOR	1 0 1 0	X						0	20,700	0
TIMOTHY HOOD DIRECTOR	1 0 1 0	X						0	4,600	0
AMBER HORN-LEITERMAN DIRECTOR	1 0 0 0	X						0	0	0
VERNON HORST DIRECTOR	1 0 1 0	X						0	4,600	0
HAROLD J HOWRIGAN JR DIRECTOR	1 0 0 0	X						0	0	0
DAVID JACKSON DIRECTOR	1 0 1 0	X						0	2,000	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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Former			
JAMES E JACQUIER DIRECTOR	1 0 1 0	X						0	0	0
JOE KELSAY DIRECTOR	1 0 0 0	X						0	0	0
RANDALL E KOLLER DIRECTOR	1 0 0 0	X						0	0	0
KIM KORN DIRECTOR	1 0 0 0	X						0	0	0
JOHN M LARSON DIRECTOR	1 0 1 0	X						0	5,400	0
SARAH LLOYD DIRECTOR	1 0 0 0	X						0	0	0
BRIAN MEDEIROS DIRECTOR	1 0 0 0	X						0	0	0
SIETO MELLEMA DIRECTOR	1 0 1 0	X						0	600	0
ALLEN MERRILL DIRECTOR	1 0 1 0	X						0	5,750	0
URBAN MESCHER DIRECTOR	1 0 0 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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Former			
JERRY G MESSER DIRECTOR	1 0 1 0	X						0	5,800	0
KENNETH MEYERS DIRECTOR	1 0 0 0	X						0	0	0
LOWELL MUELLER DIRECTOR	1 0 1 0	X						0	3,100	0
ZACHARY H MYERS DIRECTOR	1 0 0 0	X						0	0	0
STEVE NEHRING DIRECTOR	1 0 1 0	X						0	2,700	0
KEN NOBIS DIRECTOR	1 0 1 0	X						0	1,600	0
STEVE PHARES DIRECTOR	1 0 1 0	X						0	0	0
RICK PODTBURG DIRECTOR	1 0 1 0	X						0	3,400	0
LYNN RAMSEY DIRECTOR	1 0 1 0	X						0	2,000	0
JAMES REID DIRECTOR	1 0 1 0	X						0	6,500	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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Former			
ARIE ROELOFFS DIRECTOR	1 0 1 0	X						0	2,600	0
PAUL E ROVEY BOARD CHAIR	1 0 1 0	X						0	32,500	0
EDDIE SCHAAP DIRECTOR	1 0 0 0	X						0	0	0
MICHELLE SCHILTER DIRECTOR	1 0 1 0	X						0	8,200	0
BRAD J SCOTT DIRECTOR	1 0 0 0	X						0	0	0
CONNIE SEEFELDT DIRECTOR	1 0 1 0	X						0	7,900	0
HAROLD SHAULIS DIRECTOR THRU AUG 2016	1 0 1 0	X						0	2,000	0
LARRY SHOVER DIRECTOR	1 0 0 0	X						0	0	0
KIMA SIMONSON DIRECTOR	1 0 0 0	X						0	0	0
KATHLEEN SKIBA DIRECTOR	1 0 0 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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Former			
SANFORD STAUFFER DIRECTOR	1 0 0 0	X						0	0	0
EARL STITZLEIN DIRECTOR	1 0 1 0	X						0	3,500	0
CHRISTINE SUKALSKI DIRECTOR	1 0 1 0	X						0	4,100	0
JESSICA TEKIPPE-SCHMITT DIRECTOR	1 0 0 0	X						0	0	0
PAULINE TJAARDA DIRECTOR	1 0 0 0	X						0	0	0
SUSAN TROY DIRECTOR	1 0 0 0	X						0	0	0
JERRY TRUELOVE DIRECTOR	1 0 1 0	X						0	5,000	0
DEB A VANDER KOOI DIRECTOR	1 0 0 0	X						0	0	0
LISA VANDER POEL DIRECTOR	1 0 0 0	X						0	0	0
CYNDY A VANLIESHOUT DIRECTOR	1 0 0 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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Former			
SUZANNE VOLD DIRECTOR	1 0 1 0	X						0	4,050	0
JIM WEBB DIRECTOR	1 0 0 0	X						0	0	0
CORBY WERTH DIRECTOR	1 0 1 0	X						0	5,000	0
TEJO WILLEMSSEN DIRECTOR	1 0 1 0	X						0	1,400	0
TOM WOODS DIRECTOR	1 0 1 0	X						0	4,400	0
THOMAS GALLAGHER CEO	40 0 10 0			X				959,448	0	51,931
BARBARA O'BRIEN PRESIDENT	40 0 10 0			X				526,495	0	64,999
CAROLYN GIBBS CFO	40 0 10 0			X				418,443	0	55,822
DANIEL CHAVKA EXECUTIVE VICE PRESIDENT	40 0 0 0					X		674,615	0	80,263
THOMAS SUBER EXECUTIVE VICE PRESIDENT	40 0 0 0					X		646,484	0	107,136

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 (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(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	Former			
GREGORY MILLER EXECUTIVE VICE PRESIDENT	40 0 1 0					X		455,814	0	123,851
MOLLIE WALLER EXECUTIVE VICE PRESIDENT	40 0 0 0					X		390,910	0	166,659
MARC BECK EXECUTIVE VICE PRESIDENT	40 0 0 0					X		387,310	0	68,503

SCHEDULE D
(Form 990)

Supplemental Financial Statements

OMB No 1545-0047
2016
Open to Public Inspection

▶ Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.

Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Department of the Treasury
Internal Revenue Service

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" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of 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 can 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" on 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 education) Preservation of an historically important land area

Protection of natural habitat Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 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
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax 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, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, 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 section 170(h)(4)(B)(ii)? Yes No

9 In Part XIII, 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" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), 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 XIII, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), 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) Revenue included on 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 (ASC 958) relating to these items

a Revenue included on 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 acquisition, 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
 - b** Scholarly research
 - c** Preservation for future generations
 - d** Loan or exchange programs
 - e** Other
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII
- 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" on 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 XIII and complete the following table
- | | Amount |
|--|--------|
| c Beginning balance | |
| d Additions during the year | |
| e Distributions during the year | |
| f Ending balance | |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b** If "Yes," explain the arrangement in Part XIII Check here if the explanation has been provided in Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on 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 Net investment earnings, gains, and 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 current year end balance (line 1g, column (a)) held as
- a** Board designated or quasi-endowment ▶
 - b** Permanent endowment ▶
 - c** Temporarily restricted endowment ▶
- The percentages on lines 2a, 2b, and 2c should equal 100%
- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by
- | | | |
|--|---------------|----|
| | Yes | No |
| (i) unrelated organizations | 3a(i) | |
| (ii) related organizations | 3a(ii) | |
| b If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4** Describe in Part XIII the intended uses of the organization's endowment funds

Part VI Land, Buildings, and Equipment.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 11a. 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				0
b Buildings				
c Leasehold improvements		1,512,469	731,109	781,360
d Equipment		1,550,392	1,426,177	124,215
e Other		2,138,822	1,936,778	202,044
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c)) . . . ▶				1,107,619

Part VII Investments—Other Securities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11b. 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		
(3) Other _____		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 12.)		

Part VIII Investments—Program Related. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Column (b) must equal Form 990, Part X, col (B) line 13.)		

Part IX Other Assets. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d. See Form 990, Part X, line 15

(a) Description	(b) Book value
(1) DUE FROM AFFILIATES	25,623,594
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 15.)	25,623,594

Part X Other Liabilities. Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

(a) Description of liability	(b) Book value
(1) Federal income taxes	0
Due to affiliates	1,961,032
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col (B) line 25.)	1,961,032

2. Liability for uncertain tax positions. In Part XIII, 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 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

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

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	157,671,907
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII)	2d	0	
e	Add lines 2a through 2d		2e	0
3	Subtract line 2e from line 1		3	157,671,907
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 XIII)	4b	0	
c	Add lines 4a and 4b		4c	0
5	Total revenue Add lines 3 and 4c . (This must equal Form 990, Part I, line 12)		5	157,671,907

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	157,671,907
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 XIII)	2d	0	
e	Add lines 2a through 2d		2e	0
3	Subtract line 2e from line 1		3	157,671,907
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 XIII)	4b	0	
c	Add lines 4a and 4b		4c	0
5	Total expenses Add lines 3 and 4c . (This must equal Form 990, Part I, line 18)		5	157,671,907

Part XIII Supplemental Information

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, line 2, Part XI, lines 2d and 4b, and Part XII, lines 2d and 4b Also complete this part to provide any additional information

Return Reference	Explanation
------------------	-------------

Part XIII **Supplemental Information (continued)**

Return Reference	Explanation
------------------	-------------

**Schedule I
(Form 990)**

Department of the Treasury
Internal Revenue Service

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

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

▶ Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2016

Open to Public Inspection

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 Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than \$5,000 Part II can be duplicated if additional space is needed

(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) Youth Improved Inc 10255 West Higgins Rd Rosemont, IL 60018	27-0988546	501(c)(3)	1,480,000				Program service expenses
(2) DAIRY RESEARCH INSTITUTE 10255 WEST HIGGINS RD ROSEMONT, IL 60018	27-1756847	501(c)(3)	130,000				RESEARCH PROGRAMS

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 2

3 Enter total number of other organizations listed in the line 1 table 2

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22

Part III can be duplicated 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
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					

Part IV Supplemental Information. Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
SCHEDULE I, PART I, LINE 2	MANAGEMENT REVIEWS THE GRANTEE'S PERIODIC FINANCIAL REPORTS TO MONITOR THE USE OF FUNDS AWARDED

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

OMB No 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
▶ Attach to Form 990.

2015
Open to Public Inspection

▶ Information about Schedule J (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization DAIRY MANAGEMENT INC	Employer identification number 36-3992031
--	--

Part I Questions Regarding Compensation

	Yes	No								
<p>1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.</p> <table border="0"> <tr> <td><input type="checkbox"/> First-class or charter travel</td> <td><input type="checkbox"/> Housing allowance or residence for personal use</td> </tr> <tr> <td><input type="checkbox"/> Travel for companions</td> <td><input type="checkbox"/> Payments for business use of personal residence</td> </tr> <tr> <td><input type="checkbox"/> Tax indemnification and gross-up payments</td> <td><input type="checkbox"/> Health or social club dues or initiation fees</td> </tr> <tr> <td><input type="checkbox"/> Discretionary spending account</td> <td><input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)</td> </tr> </table>	<input 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 type="checkbox"/> Tax indemnification and gross-up payments	<input 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)		
<input 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 type="checkbox"/> Tax indemnification and gross-up payments	<input 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 of the expenses described above? If "No," complete Part III to explain.	1b	Yes								
2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?	2	Yes								
<p>3 Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.</p> <table border="0"> <tr> <td><input type="checkbox"/> Compensation committee</td> <td><input type="checkbox"/> Written employment contract</td> </tr> <tr> <td><input type="checkbox"/> Independent compensation consultant</td> <td><input type="checkbox"/> Compensation survey or study</td> </tr> <tr> <td><input type="checkbox"/> Form 990 of other organizations</td> <td><input type="checkbox"/> Approval by the board or compensation committee</td> </tr> </table>	<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract	<input type="checkbox"/> Independent compensation consultant	<input type="checkbox"/> Compensation survey or study	<input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Approval by the board or compensation committee				
<input type="checkbox"/> Compensation committee	<input type="checkbox"/> Written employment contract									
<input type="checkbox"/> Independent compensation consultant	<input type="checkbox"/> Compensation survey or study									
<input type="checkbox"/> Form 990 of other organizations	<input type="checkbox"/> Approval by the board or compensation committee									
4 During the year, did any person listed on 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?	4a	Yes								
b Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes								
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.	4c	No								
Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.										
5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:										
a The organization?	5a									
b Any related organization? If "Yes," on line 5a or 5b, describe in Part III.	5b									
6 For persons listed on 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?	6a									
b Any related organization? If "Yes," on line 6a or 6b, describe in Part III.	6b									
7 For persons listed on 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.	7									
8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.	8									
9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9									

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on 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, applicable column (D) and (E) amounts for that individual

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 THOMAS GALLAGHER CEO	(i)	575,000	50,000	334,448	36,988	14,943	1,011,379	0
	(ii)	0	0	0	0	0	0	0
2 BARBARA O'BRIEN PRESIDENT	(i)	381,539	115,000	29,956	38,154	26,845	591,494	0
	(ii)	0	0	0	0	0	0	0
3 CAROLYN GIBBS CFO	(i)	286,443	110,000	22,000	28,591	27,231	474,265	0
	(ii)	0	0	0	0	0	0	0
4 DANIEL CHAVKA EXECUTIVE VICE PRESIDENT	(i)	293,684	0	380,931	58,494	21,769	754,878	0
	(ii)	0	0	0	0	0	0	0
5 THOMAS SUBER EXECUTIVE VICE PRESIDENT	(i)	376,620	100,000	169,864	61,284	45,852	753,620	98,408
	(ii)	0	0	0	0	0	0	0
6 GREGORY MILLER EXECUTIVE VICE PRESIDENT	(i)	322,004	105,000	28,810	99,696	24,155	579,665	0
	(ii)	0	0	0	0	0	0	0
7 MOLLIE WALLER EXECUTIVE VICE PRESIDENT	(i)	119,175	90,000	181,735	161,976	4,683	557,569	0
	(ii)	0	0	0	0	0	0	0
8 MARC BECK EXECUTIVE VICE PRESIDENT	(i)	301,362	11,250	74,698	43,013	25,490	455,813	45,876
	(ii)	0	0	0	0	0	0	0

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

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. 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 4A	DANIEL CHAVKA RECEIVED A SEVERANCE OF \$320,382 IN 2016 AS PART OF A 2-YEAR AGREEMENT. MOLLIE WALLER RECEIVED SEVERANCE PAYMENTS TOTALING \$154,328 IN 2016 AS PART OF A 2-YEAR AGREEMENT. THESE AMOUNTS ARE INCLUDED ON SCHEDULE J, PART II, COLUMN B (III).
SCHEDULE J, PART I, LINE 4B	DMI PROVIDES A DEFINED CONTRIBUTION BENEFIT FOR EXECUTIVES WHOSE THRIFT & SAVINGS PLAN BENEFITS ARE AFFECTED BY THE IRS ANNUAL COMPENSATION LIMITS. DMI WILL AUTOMATICALLY DEFER, ON THE BEHALF OF A PARTICIPANT, EMPLOYER CONTRIBUTIONS "LOST" UNDER THE THRIFT & SAVINGS PLAN DUE TO FEDERAL TAX LAWS THAT PLACE LIMITS ON THE AMOUNT OF COMPENSATION THAT A QUALIFIED PLAN CAN USE IN MAKING BENEFIT CALCULATIONS. THE IRS CODE SECTION 401(A)(17) ANNUAL COMPENSATION LIMIT FOR 2016 IS \$265,000. THE BALANCE IN EACH NONQUALIFIED PLAN ACCOUNT IS CREDITED ANNUALLY WITH INTEREST BASED ON AN AVERAGE OF THE WALL STREET JOURNAL PRIME RATES PUBLISHED ON THE FIRST DAY OF EACH CALENDAR MONTH. THE BALANCE VESTS AND BECOMES PAYABLE AT TERMINATION OF EMPLOYMENT. DMI ALSO PROVIDES A SUPPLEMENTAL RETIREMENT BENEFIT FOR EXECUTIVES WHOSE RETIREMENT PLAN BENEFITS ARE AFFECTED BY THE IRS LIMITS. THIS SUPPLEMENTAL PLAN RESTORES THE PORTION OF THE RETIREMENT PLAN BENEFIT THAT WOULD OTHERWISE BE LOST BY CONSIDERING THE EXECUTIVE'S PAY AS IF NO IRS COMPENSATION RESTRICTIONS APPLY AND PROVIDES A "MAKE UP" BENEFIT FOR THE DIFFERENCE. THE BENEFIT AMOUNT DETERMINED AS THE DIFFERENCE OF THE EXECUTIVE'S BENEFIT DETERMINED WITH AND WITHOUT THE IRS COMPENSATION LIMITS IS THE EXECUTIVE'S "DEFINED BENEFIT PLAN RESTORATION BENEFIT". IN GENERAL, THE RESTORATION BENEFIT BECOMES VESTED WHEN THE EXECUTIVE REACHES AGE 62 AND COMPLETES 7 YEARS OF SERVICE WHILE STILL EMPLOYED BY DMI. THE BENEFIT AUTOMATICALLY BECOMES VESTED IF THE EXECUTIVE IS INVOLUNTARILY TERMINATED BY DMI WITHOUT CAUSE, BECOMES DISABLED OR DIES WHILE STILL EMPLOYED BY DMI. DMI'S OFFICERS, KEY EMPLOYEES AND HIGHEST COMPENSATED EMPLOYEES PARTICIPATED IN ONE OR BOTH SUPPLEMENTAL NON-QUALIFIED PLANS IN 2016. THOMAS SUBER WAS PAID \$98,408 AND MARK BECK WAS PAID \$45,876 IN RESTORATION BENEFITS. AMOUNTS DEFERRED AND/OR PAID ARE REPORTED ON SCHEDULE J, PART II, COLUMN C. THOMAS GALLAGHER PARTICIPATED IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PROGRAM IN WHICH ACTUARIALLY-DETERMINED BENEFITS VEST AT YEAR-END AND ARE PAID BY MARCH 15 OF THE FOLLOWING YEAR. HE WAS PAID A BENEFIT OF \$143,772 IN 2016 WHICH IS INCLUDED ON SCHEDULE J, PART II, COLUMN (B)(III).

SCHEDULE O
(Form 990 or 990-EZ)

Supplemental Information to Form 990 or 990-EZ

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

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

2016

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Name of the organization
DAIRY MANAGEMENT INC

Employer identification number

36-3992031

990 Schedule O, Supplemental Information

Return Reference	Explanation
DESCRIBE THE PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO	REVIEW 990 FORM 990, PART VI, LINE 11A FORM 990 IS AVAILABLE TO ALL BOARD MEMBERS FOR REVIEW UPON REQUEST MANAGEMENT REVIEWS THE DETAILS OF THE FORM 990 WITH THE ORGANIZATION'S ATTORNEYS AND ITS AUDIT AND TAX FIRM

990 Schedule O, Supplemental Information

Return Reference	Explanation
DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF	INTEREST FORM 990, PART VI, LINE 12C THE CONFLICT OF INTEREST POLICY IS REVIEWED IN DETAIL WITH THE BOARD AND BY THE ORGANIZATION'S CORPORATE ATTORNEYS ANNUALLY BOARD MEMEBERS ARE REQUIRED TO COMPLETE AN ANNUAL CERTIFICATION OF COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY BOARD MEMBERS ARE ASKED TO RECUSE THEMSELVES FROM VOTING IF THEY ARE PERSONALLY INVOLVED IN A MATTER THAT COULD GIVE RISE TO CONFLICTS

990 Schedule O, Supplemental Information

Return Reference	Explanation
OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS	WAS BEGUN FORM 990, PART VI, LINE 15A AND 15B CEO COMPENSATION IS DETERMINED WITH THE INVOLVEMENT OF THE PERSONNEL COMMITTEE OF THE BOARD OF DIRECTORS CEO, OFFICER AND KEY EMPLOYEE COMPENSATION IS DETERMINED THROUGH THE USE OF INDUSTRY SURVEYS, MARKET SALARY GUIDES AND OTHER COMPETITIVE COMPENSATION INFORMATION

990 Schedule O, Supplemental Information

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

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

OMB No 1545-0047

2016

**Open to Public
Inspection**

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990. ▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization
DAIRY MANAGEMENT INC

Employer identification number

36-3992031

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

(a) Name, address, and EIN (if applicable) 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.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) United Dairy Industry Association 10255 W Higgins Road Ste 900 Rosemont, IL 60018 36-2702849	PROMOTION	IL	501(c)(6)	N/A	NA		No
(2) National Dairy Council 10255 W Higgins Road Ste 900 Rosemont, IL 60018 36-1522265	EDUCATION	IL	501(c)(3)	10	UDIA	Yes	
(3) Innovation Center for US Dairy 10255 W Higgins Road Ste 900 Rosemont, IL 60018 26-3918900	PROMOTION	IL	501(c)(6)	N/A	DMI	Yes	
(4) DAIRY RESEARCH INSTITUTE 10255 W HIGGINS ROAD STE 900 Rosemont, IL 60018 27-1756847	RESEARCH	DC	501(c)(3)	7	DMI	Yes	
(5) YOUTH IMPROVED INC 10255 W HIGGINS ROAD STE 900 ROSEMONT, IL 60018 27-0988546	GRANTS	IL	501(c)(3)	PF	DMI	Yes	

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.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

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.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of- year assets	(h) Percentage ownership	(i) Section 512(b) (13) controlled entity?	
								Yes	No

Part V Transactions With Related Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

	Yes	No
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, or (iv) rent from a controlled entity		No
b Gift, grant, or capital contribution to related organization(s)	Yes	
c Gift, grant, or capital contribution from related organization(s)		No
d Loans or loan guarantees to or for related organization(s)		No
e Loans or loan guarantees by related organization(s)		No
f Dividends from related organization(s)		No
g Sale of assets to related organization(s)		No
h Purchase of assets from related organization(s)		No
i Exchange of assets with related organization(s)		No
j Lease of facilities, equipment, or other assets to related organization(s)		No
k Lease of facilities, equipment, or other assets from related organization(s)		No
l Performance of services or membership or fundraising solicitations for related organization(s)		No
m Performance of services or membership or fundraising solicitations by related organization(s)		No
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	Yes	
o Sharing of paid employees with related organization(s)	Yes	
p Reimbursement paid to related organization(s) for expenses		No
q Reimbursement paid by related organization(s) for expenses	Yes	
r Other transfer of cash or property to related organization(s)		No
s Other transfer of cash or property from related organization(s)		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 related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1) Dairy Research Institute	b	130,000	Cash
(2) Youth Improved Inc	b	1,480,000	Cash
(3) Innovation Center for US Dairy	q	56,933	Cash
(4) Dairy Research Institute	q	84,434	Cash

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.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions)

Return Reference	Explanation
-------------------------	--------------------