

DEAN FOODS CO  
Form DEFA14A  
May 13, 2011

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under §240.14a-12

**DEAN FOODS COMPANY**

**(Name of registrant as specified in its charter)**

**(Name of person(s) filing proxy statement, if other than the registrant)**

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Dean Foods Company  
Say-on-Pay Vote  
May 2011

Say-on-Pay Vote: 2011

In 2011, Dean Foods Company, along with many other public companies, is soliciting your vote on executive compensation for the first time.

Glass Lewis recommended a vote FOR our executive compensation, noting that with respect to pay for performance, the Company adequately aligned executive pay and corporate performance in 2010, and that no pay for performance issues had been identified which should be of substantial concern to stockholders.

ISS recommended a vote AGAINST our executive compensation, despite rating our pay for performance as a low concern.

ISS noted that its recommendation is primarily due to the fact that we entered into a change in control agreement with an executive officer in 2010 that provided for an excise tax gross-up in certain situations. Notably, our stockholders voted to allow us to continue our use of these gross-ups in 2010.

We strongly disagree with ISS analysis, which utilizes a one-size-fits all approach and does not give appropriate weight to the important criteria of pay for performance.

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#### Excise Tax Gross-Ups: 2010 Stockholder Vote

Stockholders had the opportunity to voice their opinion on excise tax gross-ups through their vote on a stockholder proposal prohibiting future gross-ups in our 2010 proxy statement, and agreed with the recommendation of our Board of Directors that tax gross-ups were appropriate in the limited circumstances in which we use them.

Our stockholders have the opportunity to vote on this proposal again in 2011.

Our change in control agreements have not been materially modified or amended since the 2010 vote. All of our executive officers receive the same form of

agreement, as described in our proxy statement.

We believe that to deny the same benefit to new executive officers as given to existing executive officers would impede our ability to attract and retain qualified executives.

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2010 Compensation Reflects Pay for  
Performance Philosophy

In 2010, our executive compensation clearly reflected the decline in our operating results, in line with our pay for performance philosophy. Specific examples include:

Executive officers participating in the Corporate and Fresh Dairy Direct Short-Term Incentive Plans, including our CEO, received no payment with respect to 60% of their target short-term incentive plan payout.

For executive officers participating in the Corporate and Fresh Dairy Direct

plans, the 40% of STI payable upon the achievement of individual objectives

was reduced by an additional 25% and by an additional 37.5% for the CEO.

Our CEO voluntarily agreed to reduce his base salary from \$1,100,000 to \$1,000,000, comprising a reduction of approximately 9%.

Salaries were frozen for all executive officers; no merit increases were given.

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Seeking Your Support on Say-on-Pay

We  
strongly  
believe  
that  
ISS  
recommendation  
fails  
to

give appropriate weight to our pay for performance alignment in 2010, specifically in light of the fact that we received a favorable stockholder vote with respect to our use of excise tax gross-ups in 2010. For these reasons, our Board of Directors recommends a vote FOR Proposal Three, approving our

executive  
compensation  
as  
disclosed  
in  
the  
2011  
proxy  
statement.  
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