

DIVE BRIEF**Coca-Cola's Fairlife still sourcing milk from abusive farms, animal rights group claims**

The beverage giant disputed the claim from Animal Recovery Mission, saying the two operations and its owner are not suppliers for the dairy product, which has more than \$1 billion in annual sales.

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Courtesy of Coca-Cola

Dive Brief:

- Coca-Cola's Fairlife brand is continuing to source milk from two Indiana dairy farms — Windy Ridge Dairy and Windy Too Dairy — where cows are being subjected to animal abuse, according to an undercover investigation by Animal Recovery Mission. The farms, which were previously exposed for similar acts of animal cruelty by ARM in 2019, are part of Indiana-based Fair Oaks Farms, the group said.
- In a statement to Food Dive, Fairlife said Fair Oaks and Windy Ridge/Windy Too Dairy are not suppliers for the product. Fairlife added that

“Windy Ridge was in consideration as a supplier” and that a single shipment of milk was delivered from the facility on September 11, 2023. “That milk was not used in any Fairlife product sold,” it said.

- Coca-Cola and other parties agreed to pay \$21 million to settle lawsuits in 2022 for falsely advertising their Fairlife ultra-filtered milk came from humanely treated cows.

Dive Insight:

While it’s hard to ascertain the outcome of the current allegations of abuse, the publicity is likely to bring unwanted attention to one of Coca-Cola’s fastest-growing brands.

Founded in 2012, the ultra-filtered dairy brand announced last year that it surpassed \$1 billion in annual retail sales. Coca-Cola, which initially owned a minority position in Fairlife through a joint venture with Select Milk Producers, acquired the remaining stake in 2020.

The 2019 case led to lawsuits accusing Coca-Cola and others of consumer fraud and deceptive marketing, but it did not appear to have any impact on Fairlife sales. In May of this year, Coca-Cola, citing Nielsen data, said Fairlife had grown nearly 30% year to date and currently a quarter of all U.S. households purchased a Fairlife product.

In announcing the settlement last year, Fairlife said it “significantly strengthened our animal care programs and processes since 2019” through camera monitoring, a third-party animal welfare advisory board and increasing the number of unannounced audits at supplying farms. It noted at the time that it had not sourced milk from Fair Oaks since the 2019 incident.

In the current case, ARM said its undercover investigator started working at the two Windy dairies this spring to see if animal-treatment conditions had improved as Fairlife, Coca-Cola and the owners of the farms had promised. Instead, the individual documented physical harm and violence, medical neglect and poor living conditions for the animals that were worse than the earlier investigation, according to the group’s founder, Richard Couto.

The ARM founder told Food Dive he confirmed that Windy Ridge Dairy and Windy Too Dairy had been supplying milk to Fairlife by following a truck leaving the Windy Ridge farm on Sept. 11. He said the milk was delivered to a tank in

Coopersville, Michigan, where milk from numerous sources are indiscriminately mixed before being utilized in Fairlife products.

Couto claims he followed the truck several times across multiple days making the same trip from Windy Ridge to Coca-Cola's Fairlife milk plant in Coopersville.

“Fairlife and Coca-Cola never stopped taking milk from Windy Ridge, which was one of their promises, not to take dairy any longer from Fair Oaks Farms,” Couto said. “We’re looking for major reform of [Fair Oaks.] They should be shut. Their license should be pulled by the state.”

Fairlife's 2021 stewardship report said it spent more than \$8 million on supporting animal welfare standards at its suppliers and exploring new methods and technologies to improve animal care.

Fairlife, which started with a high-protein milkshake aimed at athletes and has since expanded into other value-added dairy products, including its popular milk, said in May that Coca-Cola has selected New York state as its “preferred location” for a new production facility for the dairy brand that would cost an estimated \$650 million.