Animal Rights Group Alleges Fairlife is Still Sourcing Milk from Abusive Farms

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Coca-Cola-owned dairy brand Fairlife is once again under fire from animal rights group Animal Recovery Mission (ARM), this time regarding <u>claims (https://animalrecoverymission.org/wp-content/uploads/2023/09/ARM-RELEASE-FINAL-FOF23.pdf)</u> that is continuing to source its milk from farms rife with cattle abuse, a connection which both Coke and the farms' owner denies.

Last week activist organization ARM released (https://finance.yahoo.com/news/animal-cruelty-investigation-exposes-fair-121900386.html) a video from an independent investigation it conducted of two Indiana farms it says are affiliated with Select Milk Producers, Inc., the owner of former Fairlife supplier Fair Oaks Farms. However, the farms' owner says his businesses have no connection to the brand or Fair Oaks Farms.

The video, filmed by an undercover worker, allegedly shows workers stabbing, whipping, dragging and shooting dairy cows. The two farms – Windy Ridge Dairy and Windy Too Dairy – are both located in Fair Oaks, Indiana.



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The investigation is an extension of ARM's 2019 exposé on Fair Oaks Farms, which is also owned by Fairlife founder Mike McCloskey, during which it uncovered similarly violent treatment of dairy cows by workers. That report led Coke to publicly cut ties (https://www.coca-colacompany.com/media-center/fair-oaks-farms) with the farm and McCloskey released a video (https://www.jconline.com/story/news/2019/06/06/fair-oaks-founder-animal-abuse-terrible-judgment-my-part/1364942001/) following the incident acknowledging the abusive environment and promising to make corrections. Some regional Midwestern retailers, including Jewel-Osco, dropped (https://www.centralillinoisproud.com/news/national/the-latest-video-spurs-3-retailers-to-pull-fairlife-items/) Fairlife products from their stores.

According to ARM, this latest investigation found numerous instances of animal abuse at the two Windy Ridge sites. The graphic video of their findings is available on the group's YouTube page and depicts workers throttling cows with machinery, stabbing cows with knives and screwdrivers, and other abusive acts.

"All eyes were on Select Milk's dairies, and their reforms clearly failed," said ARM founder Richard 'Kudo' Couto in a press release. "If any dairy farm network had the motivation to fix this inherently cruel, broken system, it was Select Milk...but they failed miserably."



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The Newton County and Jasper County sheriff departments in Indiana – the farms are split between two counties – and the Indiana State Board of Animal Health have opened official investigations into the abuse allegations at Windy Ridge. The investigations are in preliminary stages.

In a *Chicago Tribune* report last week (https://www.chicagotribune.com/suburbs/post-tribune/ct-ptb-animal-abuse-allegations-st-0916-20230915-gaehgtm3mrcbrkywy44dk4iy7e-story.html), Windy Ridge Dairy owner Steve Bos confirmed the legitimacy of the video released by ARM and told the paper in a statement that he has already outlined a plan to make improvements at the facilities.

He stressed in his statement that, contrary to ARM's claims, his farms are not associated with Fairlife or Fair Oaks Farms.

"I would like to make it clear that I do not sell milk to Fairlife, I am not one of the dairies of Fair Oaks Farms, and [Fair Oaks Farms owners] Sue and Mike McCloskey do not have ownership in Windy Ridge Farm," Bos told the *Tribune*.



However, Couto claims to have uncovered evidence connecting the owners, citing public tax documents (https://projects.propublica.org/nonprofits/organizations/352141464/202301329349309070/full) that show both Bos and McCloskey as officers of a Fair Oaks-based business called Lake States Dairy Center Inc. Lake States does business as (https://safer.fmcsa.dot.gov/query.asp?

 $search type=ANY\& query_type=query Carrier Snapshot \& query_param=USDOT \& query_string=3404692). Fair Oaks Farms$

according to at least one government filing. In an unrelated court case, cited by Couto, Fair Oaks Farms CEO Gary Corbett testified in 2014 (https://casetext.com/case/moore-v-lake-states-dairy-ctr) that they were the same company.

ARM released an additional video (https://vimeo.com/865388393) this week purporting to show evidence that Fairlife is still sourcing milk from Fair Oaks Farms through the use of a shared offloading tank in Coopersville, Michigan, despite claiming it had stopped using the supplier following the 2019 report. The video allegedly shows Couto following a truck driver taking a delivery of milk from Fair Oaks to the Coopersville facility. In the video, the unnamed driver tells him he has been consistently running the same route for years and tells Couto it belongs to Fairlife.

The video also shows Cuoto talking with people who allegedly work at the farm, including clerks at farm-operated stores, among others, who tell him that Fairlife uses Fair Oaks Farms milk. This video does not contain any imagery of animal abuse.

In an emailed statement to BevNET on Tuesday, Fairlife said it has zero tolerance for animal abuse and denied it uses the farms as suppliers, but said it had been considering Windy Ridge as a possible supplier.

"Fair Oaks Farm and Windy Ridge are not suppliers to fairlife. Windy Ridge was in consideration as a supplier. A single shipment of milk was delivered from Windy Ridge on September 11, 2023. That milk was not used in any fairlife product sold," the company said.

Reached by phone, Cuoto claimed he personally followed delivery trucks from Windy Ridge to Coopersville on several occasions, including September 11, 2023.

Cuoto, a retired businessman and former real estate developer, founded ARM in 2010. According to a 2014 *Palm Beach Post* story (https://www.palmbeachpost.com/story/news/local/2017/11/10/who-s-man-behind-secret/6993345007/), the organization has received past financial donations and support from former Houston Rockets owner Leslie Alexander and from Whole Foods Market, which gave ARM \$10,000 in September 2014.

Cuoto said he is currently working closely with the local law enforcement in Indiana as they investigate ARM's findings and he hopes arrests will be made. The 2019 video from Fair Oaks Farms led to three arrests of workers caught abusing animals.

Last year, Coke settled a false advertising lawsuit for \$21 million (https://www.bevnet.com/news/2022/cocacola-settles-for-21-million-payout-over-fairlife-false-ad-suit/) which alleged that it had wrongly stated that Fairlife milk came from humanely treated animals. The settlement did not include an admission of wrongdoing and the court did not assign blame.

Fairlife was fully acquired by Coke in 2020. The lawsuit and settlement named both Fairlife LLC and The Coca-Cola Company, as well as Select Milk Producers Inc., Fair Oaks Farms LLC and the brand's founders as defendants.

As part of the settlement, Fairlife agreed to create animal welfare oversight programs for its supplier farms and in a 2022 stewardship report (https://fairlife.com/wp-content/uploads/2022/01/Stewardship-Report_FINAL.pdf) the brand said it has invested over \$8 million into such programs, including the funding of camera installations at its farms.

Fairlife has continuously been a strong portfolio brand for Coke. As recently as the company's Q2 2023 (https://seekingalpha.com/article/4620008-coca-cola-company-ko-q2-2023-earnings-call-transcript) earnings report, Coke CEO James Quincey called Fairlife's performance "exceptional. This spring, the company announced plans to open a new \$650 million (https://www.governor.ny.gov/news/governor-hochul-announces-plans-coca-cola-company-build-650-million-fairlifer-production) manufacturing facility for Fairlife in New York.