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Fairlife milk and Dallas-based supplier again accused of fraud, ‘egregious animal cruelty’

Undercover footage cited in a federal lawsuit counters claims of cow welfare by Fairlife, Coca-Cola and Select Milk.

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An Animal Recovery Mission undercover investigator filmed a sickly cow with its back legs tied together at Woodcrest Dairy in New Mexico, a member of the Dallas-based Select Milk Producers that supplies Fairlife milk. ARM founder Richard Couto said when cows become sick and weak, workers tie their back legs to prevent them from laying down so they can continue to be milked.(Animal Recovery Mission / Animal Recovery Mission)

Update:

Warning: This story contains graphic descriptions of animal cruelty and links to undercover videos capturing abuse of dairy cows.

On labels in grocery stores and recently deleted pledges on its website, Coca-Cola has advertised the milk it sells comes from humanely treated cows, a promise in the product's very name — Fairlife.

At Woodcrest Dairy in New Mexico, a member of the Dallas-based Select Milk Producers cooperative that supplies Fairlife, an undercover investigator filmed a different reality: workers kicking cows in the head and beating them with steel rods; breaking tails as discipline during milking; and attaching a chain to a fetus inside a cow in labor to force it out before the mother was ready.

The alleged “near-constant torment and torture of cows as a daily practice,” captured this year by investigative welfare organization Animal Recovery Mission, is cited in a new federal false advertising complaint against the corporate giants behind the Fairlife brand.

In the class action lawsuit amended May 29, plaintiffs accuse Fairlife and its co-founders, Coca-Cola and Select Milk, of defrauding customers by building the \$1 billion brand on claims of cow welfare

While Fairlife promotes sustainability and prints “recycle me” on some bottles, the lawsuit also alleges the milk is packaged in material that contaminates the nation’s recycling stream, compounding the fraud.

The complaint comes after Coca-Cola, Fairlife and Select Milk agreed to pay \$21 million in 2022 to settle an earlier class action lawsuit citing widespread animal abuse filmed by ARM at farms in Indiana and Texas.

That settlement included a litany of binding stipulations, including that the company prohibit suppliers from “beating any animals or subjecting them to any act of cruelty.”

Subsequent undercover operations in 2024 and 2025 by ARM at Fairlife suppliers in Arizona and New Mexico show the cruelty is systemic across states, according to the complaint, and continued despite the injunction.

“From someone that’s a specialist in investigating cruelty in the dairy industry globally, Fairlife is top-tier, the worst offenders,” said Richard Couto, founder of ARM, which has exposed abuses in

backyard slaughterhouses, the illicit horse meat trade and factory farming for 15 years.



An undercover investigator with Animal Recovery Mission films a worker kicking a down cow at Woodcrest Dairy in New Mexico, part of the Dallas-based Select Milk chain that supplies Fairlife milk. The undercover investigation is included in a federal lawsuit against Coca-Cola, Fairlife and Select Milk, accusing them of defrauding consumers by pledging animal welfare while sourcing from abusive dairies. (Animal Recovery Mission / Animal Recovery Mission)

Fairlife declined to answer questions from *The Dallas Morning News* but provided a statement saying, “We are deeply committed to animal welfare and have zero tolerance for abuse.

“We work closely with our co-op partners to ensure the highest standards of care are consistently upheld across all their member farms that supply milk for Fairlife products,” it continued.

The complaint was filed in California federal court on Feb. 26 by the Waymaker law firm on behalf of a group of consumers. It was amended May 29 to add findings from ARM’s investigation into the New Mexico dairy, part of the Dallas-based milk cooperative, which took place from December to March.

Fairlife told *The News* it stopped accepting milk from the two Arizona dairies cited in ARM's investigation "since learning about the incident in February" and that it had not received milk from Woodcrest in New Mexico "since 2023."

However, the complaint alleges 100% of Woodcrest's milk went to Fairlife during ARM's investigation. Couto said in an interview his investigators confirmed this through videotaped discussions with a delivery driver who took Woodcrest's milk to Fairlife's factory in Dexter, N.M., about 8 miles away and by following trucks to the plant.

Denise Vander Meulen, a partner in Woodcrest Dairy, told *The News* "we do not accept, condone or tolerate the behaviors alleged in this lawsuit" but she declined to answer any questions, including whether it stopped supplying Fairlife.

Despite Fairlife's assertion it stopped sourcing from the two Arizona dairies, the amended complaint alleges investigators documented trucks switching shipments from day to night and sending the milk to United Dairymen of Arizona, a cooperative that supplies Fairlife.

"Is this what happens when a company is too big to fail? They feel like they can say whatever they want with impunity? Fairlife, true masters of consumer deception," said Bobak Bakhtiari, executive director of Consumer Protection Foundation, a nonprofit that investigates consumer issues, including Fairlife.

Origin of fraud

The lawsuit alleges Fairlife's fraud began with Select Milk founders Mike and Sue McCloskey, who launched a dairy empire amid Americans' declining milk consumption and rising scrutiny from animal welfare groups.

The McCloskeys, also defendants in the lawsuit, created Select Milk in 1994 as a cooperative of dairies with "a story to tell" about producing

higher quality milk from well-cared cows and sustainable practices, Sue McCloskey explained in a 2018 TedTalk.

It grew into one of the largest cooperatives in the U.S. with 99 members in Texas, New Mexico and the Midwest. The dairies produce 7 billion pounds of milk per year, according to the Texas Agriculture Council.



Signage for Select Milk Producers, Inc. is seen, Wednesday, June 18, 2025, in Dallas. (Chitose Suzuki / Staff Photographer)

In 2004, the McCloskeys founded Fair Oaks Farms in Indiana, 12 dairies with 36,000 cows, according to a 2016 *Fortune* article. Fair Oaks doubles as one of the nation's largest agritourism attractions with a restaurant, museum and lodging all promoting the dairy industry.

The McCloskeys' Select Milk joined with Coca-Cola in 2012 to launch Fairlife, which uses an ultrafiltration process to create a product with 50% more protein and 50% percent less sugar than standard milk

Labels on early bottles touted the company's promise of "extraordinary care and comfort for our cows" while Fair Oaks served as a flagship for the brand.

A portion of Fair Oaks' milking and animal operations are showcased to the public to bring "consumer transparency" to modern farming, Sue McCloskey said in a 2019 video. But in areas closed to visitors, an ARM investigation in 2019 documented such extreme abuse it led to criminal charges against three employees, viral outrage and the first class-action complaint.

The McCloskeys did not respond to a phone call or text message requesting comment or an email sent to their attorneys. But in 2019, Mike McCloskey confirmed the abuse took place and apologized in a video, saying it "created a sadness that I'll have to endure the rest of my life."

Since the release of ARM's 2019 investigation into Fair Oaks — the video has had 18 million views — Coca-Cola announced it stopped sourcing milk from the dairy.

In 2020, Coca-Cola acquired full ownership of Fairlife, which now includes Core Power protein shakes, but the lawsuit alleges Select Milk still "retains most of the operational control of Fairlife."

ARM went back undercover in 2023 at Windy Too and Windy Ridge, two dairies the lawsuit alleges were tied to the Fair Oaks compound in Indiana.

Along with animals being whipped and beaten, calves left to die in filth, and sick cows dragged by tractors, investigators documented a milk truckload driven from Windy Ridge to Fairlife's plant in Coopersville, Mich.

In September that year, Fairlife confirmed to news website *Food Dive* the shipment occurred as Windy Ridge was "in consideration" as a supplier but said the milk was not actually used.

The lawsuit alleges Windy Ridge continues to supply Fairlife through a plant in Michigan, which a Fairlife spokesperson denied in an email to *The News*.

Windy Ridge owner Steve Bos confirmed to the *Chicago Tribune* in 2023 the dairy in ARM's video was his but said he was not part of Fair Oaks Farms and did not sell to Fairlife. An IRS filing lists Bos as president of Lake States Dairy Center, the nonprofit arm of Fair Oaks Farms.

Bos told *The News* in a text message that "The allegations to which you refer are categorically false," but he declined to elaborate.

Branding 'based on lies'

Couto founded ARM in South Florida in 2010 after discovering illegal, backyard slaughterhouses and black market horse meat around Miami. His undercover investigations expanded internationally and have led to criminal convictions and the breakup of hundreds of illegal operations.

Couto said after his investigation into Fair Oaks led to the initial class action lawsuit and settlement, he worked to get investigators hired at other Fairlife suppliers at random to check compliance.

ARM's investigation at Woodcrest in New Mexico, described in the May 29 complaint with photos, details how workers put cows in metal head gates, where they couldn't move, and kicked them in the face repeatedly.

"We started working there with no insight and hoping not to find any cruelty at all," Couto said. "Within the first 10 minutes of us punching in a time card, felony animal cruelty was taking place."

The investigation captured a worker clipping a hook between a cow's nostrils and yanking an attached rope with the force of his body as the cow is "bellowing loudly during this abuse."

Photographs and descriptions in the lawsuit show down cows, too sick and weak to stand, dragged by tractors and newborns dragged by chains.

Couto submitted his findings to the Chaves County Sheriff's Office. Sheriff Mike Herrington did not respond to requests asking if he was investigating.

However, the Arizona Department of Agriculture is investigating ARM's report of abuse at Rainbow Valley and Butterfield dairies in Buckeye, 40 miles west of Phoenix, according to department spokesperson Rachel Andrews.

At Rainbow Valley, an ARM investigator in 2024 documented a manager electrically prodding a pregnant cow 70 times while in labor, including in the mouth and genitals, according to the complaint. Like at Woodcrest in New Mexico, ARM filmed workers breaking cows' tails to make it easier to attach the milking device to the udder, the lawsuit alleges.

At Butterfield, investigators documented workers repeatedly kicking calves, beating cows and putting live calves into crates with decomposing corpses. Others were left in temperatures over 130 degrees without shade, according to the complaint.

Thomas De Jong, owner of the two Arizona dairies, did not respond to a phone call or text message for comment.

When Fairlife surpassed \$1 billion in sales in 2022, CEO Tim Doelman touted "significant progress in the business-critical areas of animal welfare and sustainable practices."

On an animal care mission page on its website, deleted since the new lawsuit's filing, Fairlife promoted \$40 million invested in animal welfare audits, oversight and veterinary care since 2019.

It said its suppliers are certified through the National Dairy Farmers Assuring Responsible Management Program, or FARM, that enforces

care standards. However, FARM is administered by the National Milk Producers Federation, a powerful lobby for the dairy industry.

Andrew deCoriolis, executive director of advocacy organization Farm Forward, said this self-policing is humane washing, efforts to assuage consumers while hiding harms of industrial animal production.

Because farmed animals have few regulatory protections, deCoriolis said third-party certifications emerged in that void but allow businesses to pass without substantive protections for animals.

“Consumers imagine these products come from animals raised on pasture and in healthy conditions when that’s not at all the case,” deCoriolis said.

The complaint alleges Fairlife also deceives consumers through sustainability claims that amount to “recycling fraud.” Fairlife bottles are made from opaque plastic, which contains titanium dioxide, an element that makes them non-transparent and unable to be processed with clear, plastic bottles.

Most processors in the world cannot accommodate opaque pigmented plastic, and no other food or beverage company uses it, said Jan Dell, a chemical engineer and founder of anti-pollution nonprofit the Last Beach Cleanup. The lawsuit alleges Fairlife bottles falsely indicate to consumers they can be recycled with clear plastics, while many include “recycle me” wording.

“For Coca-Cola to be knowingly poisoning the recycling system, it’s just so bad, it’s so harmful to what they say they profess to be for,” Dell said.

Fairlife did not respond to questions about its packaging.

Economic harm is typically the only consequence that can reform big agriculture, said Farm Forward’s deCoriolis. But Coca-Cola and Fairlife have survived previous viral exposure for alleged animal abuse.

ARM's 2019 video showing abuse at Fair Oaks Farms, drew worldwide outrage. But in 2023, after the last settlement, Coca-Cola announced Fairlife had grown 30% from the prior year while a quarter of all U.S. households purchased a Fairlife product.

“Fairlife has been seen as one of the saviors of the dairy industry, they are being held up as ‘look at what dairy can become again,’” deCoriolis said. “A lot of that consumer interest is based on lies.”