



## Curtailing Factory-Farm Cruelty: The Power of Civil Litigation

### Introduction

Legal Impact for Chickens (LIC) is a litigation nonprofit based in San Francisco, California. Its mission is to make factory-farm cruelty a liability by bringing strategic lawsuits for chickens and other farmed animals.<sup>1</sup>

Though a young organization, LIC has made an impact on the fight for animal rights. Its endeavors have shed light on the cruelty of factory farming and pressured companies to improve the conditions of their animals. LIC works to end cruelty to farmed animals through civil litigation. It hopes to become a leading force in the animal rights movement.

### Factory-Farm Cruelty is a Liability for Businesses

Factory farming involves confining animals in large, crowded spaces, and often subjecting them to inhumane treatment.<sup>2</sup> This practice not only is harmful to the animals, but also can be a liability for businesses that engage in it.

Factory-farm cruelty can lead to lawsuits from animal rights activists and consumers. In recent years, there have been a number of lawsuits against industrial animal agriculture facilities for animal cruelty. These lawsuits have the potential to result in large fines and other penalties for the businesses involved.

For example, in 2008, the Humane Society of the United States (HSUS) sued Hallmark Meat Packing Company and Westland Meat Company under the False Claims Act. Specifically, Hallmark and Westland supplied beef to the National School Lunch Program, and HSUS contended that the companies were abusing cows in violation of their contracts.<sup>3</sup> The DOJ intervened in the civil action in 2009.<sup>4</sup> The implicated companies and individuals agreed to settle the animal cruelty charges. In 2012, Donald Hallmark Sr. and Donald Hallmark Jr. agreed to pay \$304,130. In 2013, Westland agreed to enter a \$155.68 million consent judgment, and Westland's owner agreed to pay \$240,000.<sup>5</sup>

Additionally, in 2012, Animal Outlook (formerly known as Compassion Over Killing) filed a lawsuit against Cal-Cruz Hatchery for unlawful animal cruelty in violation of the California Business and Professions Code. A few months after filing suit, the parties reached a settlement, prohibiting Cal-Cruz and its owner from ever possessing any animals.<sup>6</sup>

[Read more on page 38](#)

### Sarah Gold

*Legal Impact for Chickens*

*Sarah Gold is a litigator at Legal Impact for Chickens, where she litigates on behalf of farmed animals. She began her career as a litigation associate at Wilmer Cutler Pickering Hale and Dorr, where she gained experience in complex commercial litigation. Sarah is the lead litigator on the Case Farms lawsuit. She also serves as secretary on the board of Sunset Farms Sanctuary, a farmed animal sanctuary in Arkansas.*



*Curtailing... Continued from page 19*

More recently, in 2021, the Animal Legal Defense Fund filed a False Claims Act lawsuit against Holden Farms, a Minnesota pig breeding facility, alleging that the company had committed animal cruelty and other violations of the law. The lawsuit is still ongoing, but could result in large fines for Holden Farms if successful.<sup>7</sup>

Factory-farm cruelty can also damage a business's reputation. Consumers are increasingly aware of the practices that are used in factory farming, and they are less likely to buy products from businesses that they believe are mistreating animals.<sup>8</sup>

In addition to the legal and financial risks, factory-farm cruelty can also have a negative impact on the morale of employees. Workers who are involved in the mistreatment of animals may experience stress, anxiety, and depression. This can lead to turnover and other problems for the business.

This article focuses specifically on the impact civil litigation has on the animal agriculture industry. To reduce their risk of liability, businesses may begin adopting higher welfare standards, investing in more humane farming practices, ensuring their suppliers are meeting high animal welfare standards, educating their employees about animal welfare, and being transparent about their animal welfare practices.

### The Impact of Private Civil Litigation

Civil litigation can be a powerful tool for improving the welfare of farmed animals. Even if a lawsuit does not result in a win, it can still raise awareness of cruelty and pressure companies to change their practices.

A successful lawsuit can establish a legal precedent that can benefit animals in various states. For example, if a court in New Mexico holds that a certain factory-farming practice is illegal, that decision can be cited as precedent in other cases in New Mexico, and in other states with similar laws. This can help to chip away at the legal impunity that factory farms have previously enjoyed and make it more difficult for them to get away with cruelty to animals.

In addition, a successful lawsuit could have a chilling effect to stop cruelty in the meat, dairy, and egg industries. Companies may be deterred from engaging in cruel and inhumane practices if they know that they could be held accountable for their actions.

Of course, the impact of private civil litigation will vary depending on the specific case. However, it is a valuable tool that can be used to protect animals on factory farms.



Getty Images



### LIC's Impact

#### ***The Costco Case***

In 2022, LIC represented two Costco shareholders in a derivative lawsuit against Costco executives, alleging that the executives caused the company to neglect and abandon chickens.<sup>9</sup> Specifically, the complaint alleged that many of Costco's young, disabled birds were unable to reach food or water, and that the company failed to provide them with individualized medical care. The complaint accused Costco's executives of violating their fiduciary duty to act lawfully.<sup>10</sup>

The lawsuit garnered significant media attention and heightened public awareness of factory-farm cruelty.<sup>11</sup> Despite the court's dismissal of the case, the judge acknowledged the potential merits of such lawsuits and left open the possibility that the shareholders could file a formal demand upon Costco's board to address the treatment of Costco's chickens.

On July 1, 2023, LIC filed a formal demand upon Costco's board, on behalf of the two shareholders.<sup>12</sup> The shareholders demanded a realistic plan to ensure all Costco birds can reach water and food. As of August 15, 2023, Costco's board stated that it formed a Board committee to review and investigate the demand's allegations.

The *Costco* case provides a novel example of how shareholder litigation can be used to enforce animal cruelty laws on behalf of farmed animals. This approach should be considered as a potential avenue in future cases of farmed-animal cruelty.

#### ***The Case Farms Case***

In May 2023, LIC filed another lawsuit, this time against Case Farms, a major poultry integrator. The complaint alleges that Case Farms has engaged in a pattern of gross mismanagement and cruelty toward newborn chicks at its hatchery in Morganton, North Carolina.<sup>13</sup>

Specifically, LIC is suing Case Farms for illegal cruelty under North Carolina law, alleging that Case Farms engages in "intentional, affirmative, and reckless acts of neglect and extreme violence" against the chickens under its care and control. These actions violate the guidelines of the National Chicken Council, a group of which Case Farms is a member.

The lawsuit is based on a 2021 undercover investigation by animal advocacy group Animal Outlook.<sup>14</sup> The investigation revealed that Case Farms was knowingly operating faulty equipment, including a machine piston that repeatedly smashes chicks to death, and a dangerous metal conveyor belt that traps and kills young birds. The investigation also found that Case Farms employees routinely abuse chicks, including throwing and stepping on them. Animal Outlook has joined LIC as co-counsel in the suit.



LIC seeks a permanent injunction to prevent further cruelty and irreparable harm to the chicks born at Case Farms' facilities.

The Case Farms lawsuit is still pending, but it has already generated media attention and is raising awareness of the issue of factory-farm cruelty.<sup>15</sup>

### **Rural King**

While LIC is actively pursuing its next legal case, litigation is not the only way that LIC has made a difference.

On August 7, 2023, LIC sent a cease-and-desist letter to Rural King, a chain of farm and home supply stores with over 130 locations in 13 states.<sup>16</sup> The letter accused Rural King of mistreating chicks at a West Virginia store by repeatedly using incorrect, adult-only waterers for the young birds. This resulted in many chicks going without water, suffering, and dying. LIC also had reason to believe that the cruelty may not have been unique to this one location, but rather was part of a broader pattern across multiple stores.

Rural King responded to the letter on August 15, 2023, stating that it would begin "performing 'in person' random audits at Rural King locations to ensure" appropriate animal care.<sup>17</sup> LIC's source on the ground has also confirmed that the West Virginia store in question has now finally switched to the correct waterers. This change is expected to save many lives, not only at this one store, but also at other Rural King locations.

## **Conclusion**

LIC is not the only organization that is bringing private civil litigation for farmed animals. In recent years, there have been a number of lawsuits against meat, dairy, and egg companies. These lawsuits are sending the message that cruelty is a liability and are helping to hold these companies accountable.

Private civil litigation is an important tool for protecting animals on factory farms. It is a way to force companies to answer for and change their practices. It is also a way to raise awareness of the issue of factory-farm cruelty and to encourage people to make more compassionate choices about the food they eat. ➤

---

### **Endnotes**

1 LEGAL IMPACT FOR CHICKENS (LIC), <https://www.legalimpactforchickens.org/> (last visited Oct. 15, 2023).

2 *Inhumane Practices on Factory Farms*, Animal Welfare Inst., <https://awionline.org/content/inhumane-practices-factory-farms> (last visited Oct. 15, 2023).

3 United States ex rel. Humane Society of the United States v. Westland/Hallmark Meat Co. et al., No. 08-00221 (C.D. Cal. 2009).

4 U.S. Dep't of Just. Press Release, *U.S. Intervenes in Suit Against Former Beef Suppliers to National School Lunch Program* (May 1, 2009), <https://www.justice.gov/opa/pr/us-intervenes-suit-against-former-beef-suppliers-national-school-lunch-program>.

5 *Settlement reached in Calif. beef recall case*, USA TODAY (Nov. 27, 2013), <https://www.usatoday.com/story/news/nation/2013/11/27/california-beef-recall-settlement/3772801/>.



- 6 Animal Outlook Press Release, *Animal Cruelty Lawsuit Settled: Santa Cruz Hatchery Closed* (June 12, 2012), <https://animaloutlook.org/press/press-releases/santa-cruz-hatchery-closed/>; Joanna Zelman, *Cal-Cruz Hatcheries Settles Animal Cruelty Lawsuit*, HuffPost (June 13, 2012), [https://www.huffpost.com/entry/cal-cruz-hatcheries-lawsuit-settled\\_n\\_1593810](https://www.huffpost.com/entry/cal-cruz-hatcheries-lawsuit-settled_n_1593810).
- 7 United States of America ex rel. Animal Legal Defense Fund v. Holden Farms, Inc., No. 21-sc-02061 JRT/TNL (D. Mn. 2021).
- 8 2023 ASPCA PUBLIC OPINION SURVEY ON PURCHASING DECISIONS IN SUPERMARKETS, [https://www.aspc.org/sites/default/files/2023\\_supermarket\\_scorecard\\_survey\\_memo\\_0.pdf](https://www.aspc.org/sites/default/files/2023_supermarket_scorecard_survey_memo_0.pdf) (last visited Sept. 24, 2023).
- 9 Smith, et al. v. Vachris, et al., No. 22-2-08937-7 (Wash. Super. Ct. 2023).
- 10 Complaint, *Smith*, No. 22-2-08937-7, LIC, <https://www.legalimpactforchickens.org/costco-complaint> (last visited Oct. 15, 2023).
- 11 See, e.g., Nathaniel Meyerson, *The cost of \$4.99 rotisserie chickens: Costco gets sued for animal mistreatment*, CNN BUSINESS (Jun. 24, 2022), <https://www.cnn.com/2022/06/24/business/costco-rotisserie-chicken-lawsuit/index.html>; Lisa Fickenscher, *Costco sued over alleged inhumane treatment of chickens*, N.Y. POST (Jun. 24, 2022), <https://nypost.com/2022/06/24/costco-sued-over-alleged-inhumane-treatment-of-chickens/>.
- 12 Formal Demand on the Board of Directors of Costco Wholesale Corp. to Stop Dehydration and Starvation of Disabled Chickens, LIC (July 1, 2023), <https://www.legalimpactforchickens.org/costco-demand>.
- 13 Amended Complaint, *Legal Impact for Chickens vs. Case Farms, L.L.C., Case Foods, Inc., and Case Farms Processing, Inc.*, C.A. 23 CVD 619 (D. Burke, Jun. 19, 2023).
- 14 *Case Farms Hatchery*, ANIMAL OUTLOOK, <https://animaloutlook.org/investigations/case-farms-hatchery/#:~:text=Animal%20Outlook's%20undercover%20footage%20revealed%3A&text=Some%20chicks%20were%20not%20mangled.and%20driven%20over%20with%20machinery> (last visited Oct. 15, 2023).
- 15 Hank Lee, *Lawsuit alleges animal cruelty at Morganton chicken plant*, WCNC CHARLOTTE (May 24, 2023), <https://www.wcnc.com/article/news/local/morganton-north-carolina-kfc-food-supplier-animal-cruelty-lawsuit/275-8611cbe1-375a-4542-8565-449e8bc12afd>; Sharon McBrayer, *Animal rights group files lawsuit against Case Farms*, THE MORGANTON NEWS HERALD (May 29, 2023), [https://morganton.com/news/local/animal-rights-group-files-lawsuit-against-case-farms/article\\_5221e65e-fd6e-11ed-9eae-df116777b7e9.html](https://morganton.com/news/local/animal-rights-group-files-lawsuit-against-case-farms/article_5221e65e-fd6e-11ed-9eae-df116777b7e9.html).
- 16 Animal Cruelty Cease Desist Letter, LIC (Aug. 7, 2023), <https://www.legalimpactforchickens.org/rural-king-cease-and-desist-letter>.
- 17 Rural King, Response to Claims of Inappropriate Care of Livestock, LIC (Aug. 14, 2023), <https://www.legalimpactforchickens.org/rural-king-response>.

**FIND US ON SOCIAL MEDIA**

twitter.com/abatips  
linkedin.com/groups/55713  
youtube.com/user/AmericanBarTIPS

ambar.org/tips

ABA  
AMERICAN BAR ASSOCIATION  
Tort Trial and Insurance  
Practice Section