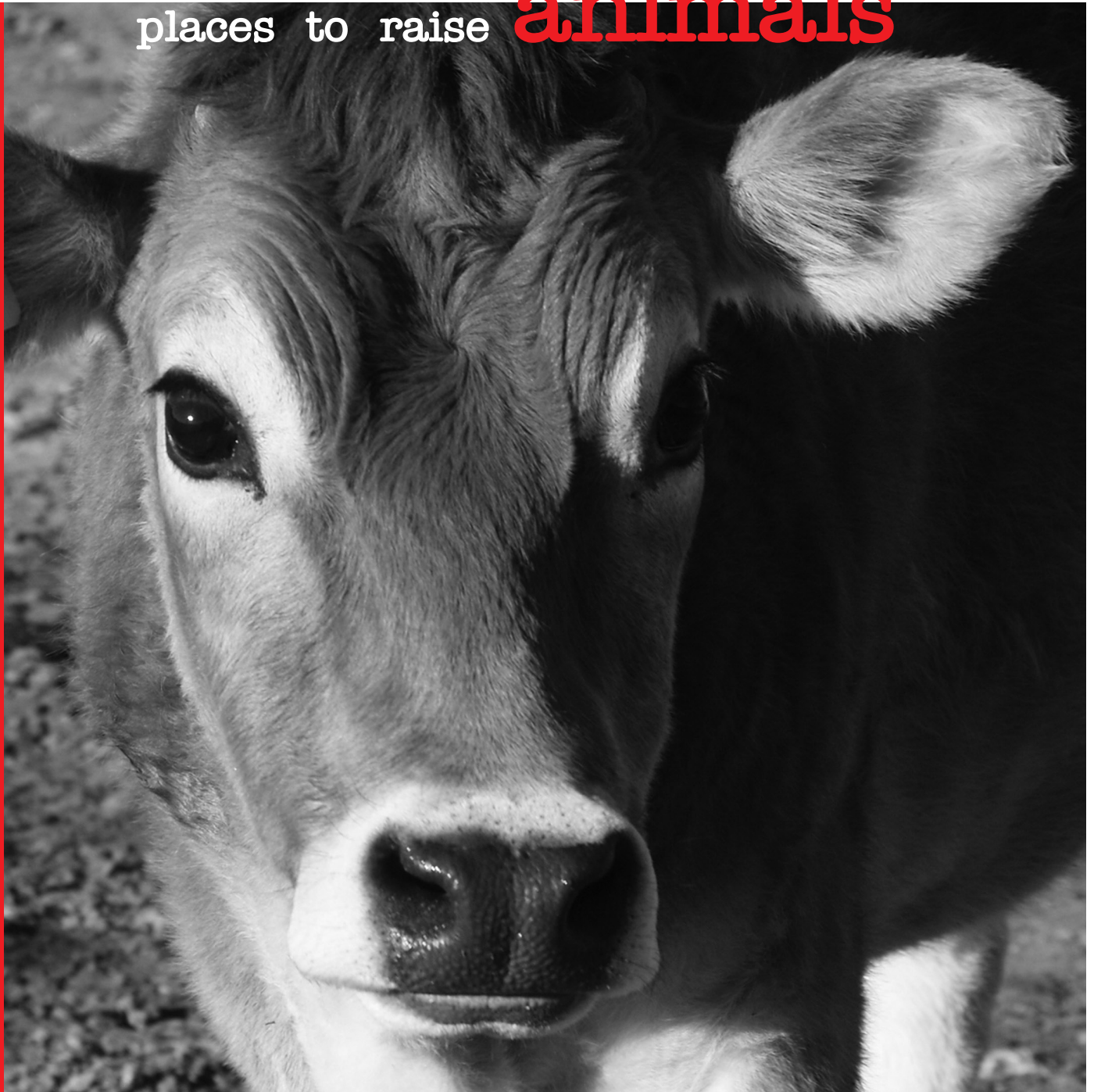


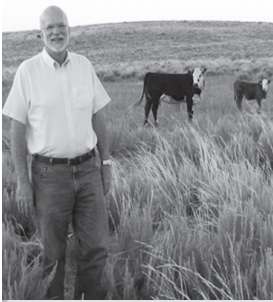
Making farms **healthier** and more
humane
places to raise **animals**



2009 Annual Report

FACT's mission is to improve the welfare of food animals, broaden opportunities for humane farmers, and address public health problems that come from the production of meat, milk and eggs.

FACT
Food Animal Concerns Trust
www.foodanimalconcerns.org



A message from the executive director

Dear Friends,

Welcome to FACT's 2009 Annual Report. There is no doubt that a massive overhaul of farming in the United States is needed to improve farm animal welfare! Factory farms routinely use antibiotics on healthy animals to make them grow faster and as a substitute for healthy living conditions. Cattle are fed poultry litter as a filler and nutrient supplement. Egg laying hens are forced to live in filth and then lay eggs contaminated with Salmonella.

FACT is changing the way that farm animals are raised by focusing on a few strategic areas of need. We have learned that we are most effective when we carefully focus all of our efforts on specific welfare or public health needs. Then, through *research* to understand what is involved, *advocacy* that joins us with like-minded people and groups, and *education* that involves young children and adults alike, we work for change.

Bringing about real change requires a sustained effort. We know that meaningful improvements in farm animal welfare do not take place over night, they take time. For example, we have been working to ban the use of antibiotic growth promoters for animals since 1997. We first sat down to negotiate how best to clean up egg laying farms and reduce Salmonella in 2000. Because we did not turn our backs on farm animals, we are now achieving tangible successes.

We could not have made such headway towards accomplishing our goals without your support. You play a critical role in helping make farms healthier and more humane places to raise animals. For this we thank you.

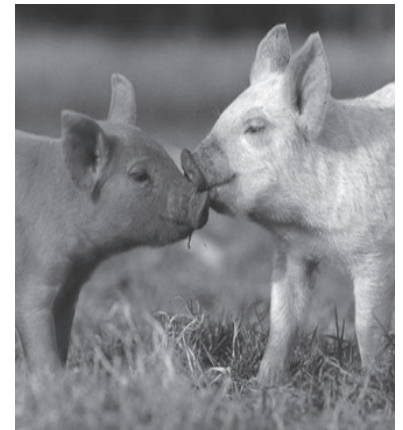
We are pleased with the growth and outreach of FACT's programs during the past year. With your support, we look forward to doing even more in the year to come.

Sincerely,

Richard R. Wood

Maximizing Our Efforts For Farm Animals

FACT is a national leader in addressing the needs of farm animals, but not many people realize how small we are. While we have a staff of only six people, we are able to accomplish so much. We are effective because we maximize our efforts – we use our work to leverage a larger response. Here are several examples:



Banning Filthy Feed

In August 2009, after more than a year of research, FACT petitioned the Food and Drug Administration (FDA) to ban the feeding of poultry litter to cattle. This step launched FACT's Filthy Feed Campaign. Petitioning the FDA is an immense step in itself, a first for FACT, but we did more.

We reached out to prominent organizations and secured their endorsement – organizations like Consumers Union, Center for Science in the Public Interest, the Humane Society of the United States, Union of Concerned Scientists, and Consumers Federation of America – 12 groups in all. FACT was able to involve a large number of consumers and make a compelling case to the FDA through our collaboration with these endorsing organizations. We are hopeful the FDA will prohibit this practice.

Forcing Factory Egg Farms to Protect Public Health

In July 2009 the FDA enacted a federal rule that requires all large egg farms to protect the public from foodborne illness caused by Salmonella enteritidis (SE). These required steps will also improve living conditions for the hens. FACT played an instrumental role in the development of this rule. We drew upon the experience gained from both our NEST EGGS® project and our Salmonella research on those farms to demonstrate that SE could and should be reduced. NEST EGGS®, which operated from 1984 to 2004, helped create a market for eggs from cage-free hens. This expertise enabled us to represent consumers in negotiations with the FDA and the egg industry. As a result, the final rule includes several provisions that came directly from FACT and our research! People who eat eggs are safer because of FACT's efforts.

continued on back page...

Program Highlights

Promoting Humane Farming

Animals that are humanely raised are generally happier, healthier and experience a better quality of life than animals forced to live in confinement. FACT believes that all food animals should be granted adequate space, access to the outdoors, clean water and air, the opportunity to express their natural behaviors, and safe feed. Animals raised on factory farms are not permitted these very basic freedoms.

Promoting humane farming methods makes a difference. The more meat, milk, and eggs produced humanely and sold to consumers, the fewer animals will be raised on factory farms. FACT seeks to promote meaningful production labels that help to create markets for humane farmers and assists consumers in making informed purchasing decisions.

Highlights

- FACT finished a year of research and prepared to launch the Filthy Feed Campaign, an initiative designed to end the use of poultry litter as cattle feed out of concern for animal and human health. To date, FACT has published a comprehensive scientific report on the practice, filed a petition with the FDA to prohibit litter feeding, designed a new website devoted to the issue (www.filthyfeed.org), created an on-line grassroots letter of support for our petition to the FDA, and produced a short video.
- Staff members Larissa McKenna and Lisa Isenhardt completed training to become Certified Humane Education Specialists through the Humane Society University. FACT kicked-off a new humane education program in Chicago. Our objective is to teach children about farm animals in hopes of cultivating respect and compassion for these animals. Staff will be presenting it in venues across the city to generate greater awareness among young people about the struggles faced by farm animals.
- FACT joined the National Sustainable Agriculture Coalition (NSAC) in March 2009. NSAC is the premiere national alliance of farm, food, conservation and rural organizations that advocates for long-term social, economic, and environmental sustainability of agriculture, food systems and rural communities. FACT welcomes this opportunity to collaborate with NSAC and its member groups that work on behalf of organic, sustainable and humane farmers.
- FACT completed its four-year Humane and Sustainable Dairy Research Project aimed at improving cow and calf welfare in the Southwest, the region where the dairy industry is growing the fastest. Heat stress was identified as a major welfare problem for dairy calves and cows in this region. FACT established a working relationship with researchers from Texas A & M University who helped set-up projects on two cooperating dairies. The research was ground-breaking in that it studied the effects that heat stress can have on calves immediately after birth. Going forward, we are hopeful that what may seem like small, specific changes in dairy management will eventually have a broad impact on the welfare of dairy calves.

"Improve the **welfare** of food animals and **broaden** opportunities for **humane** farmers"



Program Highlights

Protecting Public Health

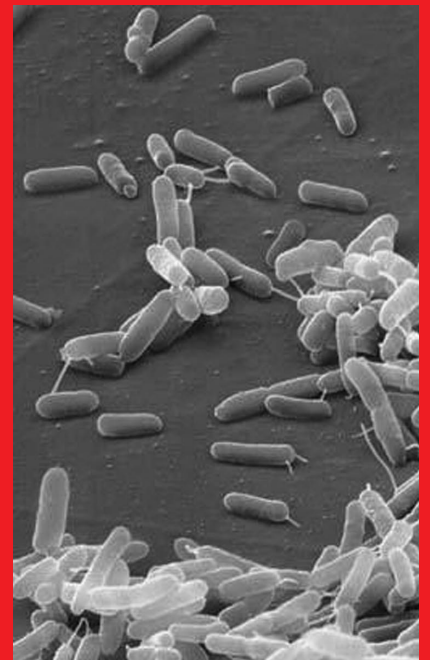
FACT believes that healthy animals are essential for maintaining a safe food supply. The unsanitary and crowded conditions on factory farms create health problems for both for the animals trapped within them and the people who eat their meat, milk, and eggs. Farm animals are the major source of many of the most common bacteria that cause disease, otherwise known as foodborne pathogens. Large cattle, swine, and poultry farms can be ideal environments for the growth of Campylobacter, Salmonella, and E. coli O157:H7.

These bacteria can directly contaminate food, causing flu-like symptoms that can be life-threatening for the very young, immune deficient or elderly. They can also move beyond the farm through the application of contaminated manure or irrigation water and contaminate ground water, infect wild animals, and spread to leafy greens and other produce. The Centers for Disease Control and Prevention estimates that foodborne pathogens cause approximately 76 million illnesses, 325,000 hospitalizations, and 5,000 deaths in the United States each year. Livestock farms can also be the source of serious human bacterial infections not commonly considered foodborne such as urinary tract infections and drug resistant staphylococcus (staph) infections. Unnecessary antibiotic use on farms can create resistant bacteria that are difficult to treat. Infections caused by resistant bacteria can be more severe and lead to increased risk of hospitalization and even death.

Highlights

- FACT prompted the FDA to issue a final rule requiring that egg producers take steps to reduce a bacteria called Salmonella enteritidis on their farms. The final rule included important provisions advocated for by FACT such as testing in pullet houses. The publication of this rule, which has been a long-term priority of FACT, should prevent nearly 80,000 illnesses annually.
- FACT initiated a collaborative research project with Cornell University to determine whether or not Methicillin Resistant Staphylococcus Aureus (MRSA) is present on U.S. dairy farms. The study is being conducted on both conventional and organic dairy farms. It is researching the relationship between MRSA and antibiotic use on these farms. Sampling is now underway on farms in New York, Oregon and Washington with results forthcoming.
- FACT successfully pressured the FDA to restrict certain routine uses of antibiotics with healthy food animals. In July the FDA stated in testimony before Congress that it would no longer allow antibiotics to be used as growth promoters and that all other antibiotics could only be used through a veterinarian's prescription. Currently a majority of antibiotics are purchased and used on farm animals without veterinarian involvement. While these policy changes are important first steps, they have yet to be implemented. Broader policies are still needed to reduce the threat posed by super bugs coming from farms.
- FACT served as the only consumer representative on the Codex International Antimicrobial Resistance Task Force, composed primarily of official government delegations. Meeting in Seoul, Korea, FACT was able to expand the task force's list of recommended options to control the spread of resistance. As a result of FACT's involvement, the task force now recommends stricter management of feed and manure and that food contaminated with resistant bacteria be withdrawn from the market.

"Address public **health** problems that come from the production of **meat, milk and eggs**"



FINANCIAL SUMMARY

Year Ending June 30, 2009

	TOTAL FY 09	BUDGET FY 10
REVENUE:		
Contributions	\$ 448,343	\$ 478,310
Reimbursements	12,500	12,500
Bequests	57,234	60,000
Interest & Dividends	20,870	30,000
 TOTAL REVENUE	 \$ 538,947	 \$ 580,810
 Realized/Unrealized Gain (market securities)	 (172,408)	
 EXPENSES:		
<i>Programs</i>		
Public Health	293,093	246,162
Humane Farming	210,226	197,645
<i>Total Program</i>	<i>503,319</i>	<i>443,807</i>
Fund Raising	141,618	128,644
Management & General	76,539	71,999
 TOTAL EXPENSES	 \$ 721,476	 \$ 644,450
 DECREASE IN NET ASSETS	 (354,937)	 (63,640)
 NET ASSETS		
Beginning of Year	1,579,901	1,224,964
End of Year	\$ 1,224,964	\$ 1,161,324

A copy of FACT's audited financial statements may be obtained from the New York State Office of Charities Registration, Albany, NY 12231 or directly from FACT.

BOARD OF DIRECTORS

Robert A. Brown, President
Janis J. King, Board Chair
Richard Leff, Treasurer
Aurelia C. Brown
Elizabeth C. Campbell
Robin Fitelson
Pat Jenkins
Richard R. Wood *Executive Director

STAFF

Richard R. Wood, Executive Director
Lisa Isenhardt, KAW Coordinator, Program Associate
Tina M. LoCoco-Mosio, Acc. & Operations Manager
Larissa McKenna, Associate Director
Steven Roach, Public Health Program Director
Jacki Rossi, Public Education Coordinator

Counsel: Barnes & Thornberg
Auditor: Pacion Matousek Ajder, P.C.

*non-voting

Your Help is Needed



The MISSION of Food Animal Concerns Trust (FACT) is to improve the welfare of food animals, broaden opportunities for humane farmers, and address public health problems that come from the production of meat, milk and eggs.

Factory farming is an inhumane and unhealthy way of raising animals. FACT is committed to improving the lives of farm animals and protecting public health - but we can't do so alone.

Please support our efforts. Your contribution enables FACT to improve the lives of farm animals. There are numerous ways to give to FACT. In addition to donations made by check or credit card, FACT graciously accepts gifts of stock, life insurance, memorial and tribute gifts, bequests, and/or retirement plans. All come with tax advantages and all serve to build FACT's capacity to make a difference.

Privacy Policy

FACT maintains a database with names, addresses and a record of donations from contributors. This information is maintained only on a computer in our offices and is never provided to other organizations on a rental, name trading, or other basis. Donors who wish to review the information kept on them at FACT may request a copy and then make any desired changes.

Donations by check or credit card can be sent to PO Box 14599, Chicago, IL 60614. Contribute online through our secure Donate page at www.foodanimalconcerns.org. Contributors may elect to receive FACT Sheets, our monthly e-newsletter to stay up-to-date on current issues and the latest industry news.

Food Animal Concerns Trust
PO Box 14599
Chicago, IL 60614
(773) 525-4952

www.foodanimalconcerns.org

Help FACT Make the Future More Humane for Farm Animals

Your contribution enables FACT to improve the lives of farm animals. The majority of FACT's revenue comes from individual donors. This ongoing and generous support is what makes it possible for FACT to accomplish so much. There are numerous ways to give to FACT. In addition to donations made by check or credit card, FACT gratefully accepts bequests and other legacy gifts.

Please consider naming FACT as a beneficiary in your will. Gifts may be made for a specific dollar amount, a percentage of the total estate, or a portion of the estate remaining after you have provided for your family. If you are interested in learning more, FACT can send you sample language for establishing bequests. For more information on how you can make a difference in the life of a farm animal please call us at (773) 525-4952.

We are deeply appreciative of our donors and want to recognize their extraordinary generosity and exceptional commitment. The following individuals have provided FACT with bequests from July 1, 2008 to June 30, 2009.

Mrs. Jean Goodman
Mrs. Charlotte A. Allen
Ms. Norine D. Wedig
Ms. E. Caroline Dillenburg
Mr. & Mrs. Henry C. Zimpelmann
Mrs. Mildred A. Lillis
Ms. Evelyn Whaley

continued from pg. 2 - Maximizing Our Efforts For Farm Animals

Saving Antibiotics for Sick Animals and People

Our organization currently leads the Keep Antibiotics Working (KAW) Coalition, which is composed of 13 prominent health, consumer protection, agricultural, environmental, humane and other advocacy groups with more than 11 million members. With this kind of leverage, FACT is able to effectively advocate for a meaningful change in the way animals are raised on farms. We seek an end to the unnecessary use of antibiotics with healthy pigs, beef cattle and chickens.

It is estimated that the majority of antibiotics are given to these animals on a daily basis to promote their growth or to compensate for squalid living conditions on factory farms. This indiscriminate antibiotic use on factory farms results in the development of resistant bacteria, making animal and human illnesses more difficult to treat. FACT believes that federal policy change is the most effective way to reduce drug abuse on farms and has led KAW in its work to pass federal legislation. The current bill before Congress is called the Preservation of Antibiotics for Medical Treatment Act. Thanks to our hard work, it now has more than 70 Congressional co-sponsors and has been endorsed by hundreds of organizations across the country, including the American Medical Association, the American Nurses Association and others.

All this from a small organization based in Chicago that truly knows how to maximize its efforts! We are thankful to FACT's supporters who understand how important this work is for the lives of farm animals and for public health.