



**CENTER**  
—FOR A—  
**HUMANE**  
**ECONOMY**

**2022**

ANNUAL REPORT

**INFLUENCING BUSINESS, HELPING ANIMALS**



## **Influencing Business, Helping Animals**

The first organization of its kind in the animal welfare movement, the Center for a Humane Economy (Center) drives corporate changes for animals in the United States and abroad, seeking to influence companies in all key sectors of the economy that have an effect on animals, including pharmaceuticals, agriculture, fashion, and the like. In a culture where consumers, investors and other key stakeholders abhor animal cruelty and the degradation of the environment, the Center works to alert corporations to their moral responsibilities and encourages innovation as a means of shedding animal cruelty in their supply chains, R&D programs, and other operations.

***The Center conducts a wide variety of campaigns to advance its mission, including the following campaigns:***

- Kangaroos Are Not Shoes
- Modernize Testing
- Cage-Free Future
- ReThink Mink
- Ending Cockfighting
- Dunking the Milk Mandate in Schools
- Saving Wolves
- Ending Greyhound Racing
- Elephants in Crisis





## Center Initiatives

From November 2021 through October 2022, the Center succeeded at driving major change for businesses involved in causing harm to domesticated and wild animals.

### **Taking Animals Out of Pharmaceutical Testing**

Lifting a federal mandate for animal testing for all new drug-development protocols and promoting non-animal methods in safety and efficacy testing, allowing this sector the legal maneuvering to shift from massive use of animals to human-based biological methods in pre-clinical testing.

### **Closing Roadside Zoos**

Ending the trade in big cats, such as tigers and lions, as pets and shutting down commercial cub-petting operations that treat their cubs and kittens as props.

### **Taking Sharks off Restaurant Menus**

Prohibiting shark-finning (slicing off the fins of live sharks in U.S. waters), which is largely done for trade for use in shark fin soup. This move effectively removes shark fins from menus of the declining number of restaurants and eateries that allow for purchases of these wildlife parts.

### **Improving Safety in Thoroughbred Racing**

Pushing the horse racing industry to adopt safer strategies for horses in competition, including by helping engineer a legislative fix to the Horseracing Integrity and Safety Act (HISA) to assure that the enforcement mechanism is constitutional.

### **Protecting Tennessee Walking Horse Shows**

Securing from Congress record-level funding for enforcement (\$4.1 million) to stop “soring” of Walking Horses under the provisions of the federal Horse Protection Act (HPA). The 1970 law prohibits sored horses (horses that are intentionally harmed and given sores to force a desired gait) from participating in shows, exhibitions, sales or auctions.

### **Shuttering Animal Fighting Ventures**

Investigating illegal animal fighting operations and working with law enforcement to interdict these criminal syndicates.

**Challenging Trophy Hunting** Saving wolves and other predators from trophy hunting, reckless government control programs, and other threats.

**Factory Farming and Animal Agriculture** Promoting a cage-free future, including by elevating farm animal welfare standards in organic animal agriculture. This includes working to end the era of extreme confinement of hens in cages and sows in gestation crates.

**Shuttering Mink Farms for Fur** Bringing awareness about the cruelty of mink farming and the very demonstrable threats of viral spillover from mink to people at these factory farms. Jim Keen, D.V.M., Ph.D., our director of veterinary science, [wrote the definitive report](#) on the relationship between mink farms and the spread of zoonotic disease.

**Promoting Humane Tourism** Feeding and helping elephants in Thailand and working to halt the inhumane handling, housing, and working of these animals in the tourist trade there.

## Stay Connected

Center for a Humane Economy is taking on the toughest fights and demanding that businesses recognize animal welfare as a core value of our society. In 2023, we will continue to press ahead with our campaigns to benefit pets, farm animals, horses, and captive and free-roaming wildlife in the United States and abroad.

Animals deserve protection from human ignorance and cruelty, and our societal institutions — including business and government — must recognize that the treatment of animals matters to so many people.

Please continue to join us and support this incredibly important journey to make the world a better place for all creatures.

- Sign up for our [emails](#)
- Subscribe to *The Animal Wellness Podcast* on [Apple Podcasts](#), [Stitcher](#) and [Spotify](#)
- Connect to your federal, state and city leaders
- Have questions? You can reach us at: [info@centerforahumaaneconomy.org](mailto:info@centerforahumaaneconomy.org)





## Center Campaigns

Below are more detailed information on some of the Center's campaigns summarized above.

### Modernize Drug Testing in the Pharmaceutical Industry

The Center's most consequential achievement was our effort to reboot America's broken drug development paradigm. We took aim at an archaic, counterproductive government mandate for extensive animal testing for every drug development protocol, whether in the R&D of pharmaceutical companies, biotech start-ups, government agencies, or academic institutions.

With the crucial work of [Animal Wellness Action](#) and other partners, the Center succeeded in working with Congress and the president to enact the FDA Modernization Act 2.0. That measure, combined the original FDA Modernization Act and also the Reducing Animal Testing Act, eliminated a federal mandate for animal testing for new drugs and for biosimilars.

The FDA Modernization Act 2.0 updates an archaic, 84-year-old statutory mandate for animal testing

in drug development, unleashing 21st-century strategies in our nation's crucial public-private drug development work. Human-relevant cell-based assays, organs-on-a-chip and human-on-a-chip models, and sophisticated computer modeling are far superior to animal tests in predicting human responses to drugs.

Between 90 and 95 percent of drugs found safe in nonclinical tests fail during human clinical trials. Moreover, in-vitro testing methods are 1.5- to 30-times less expensive than animal tests, and their use could bring new drugs to market in half the time.

This new law, which took effect at the end of December 2022, promises to reduce the use of countless scores of animals — dogs, primates, rabbits, and others who are bred and sold and used in laboratory testing. This is the first major leg-

islation to pass Congress on animal testing in decades that was originally introduced as a stand-alone bill.

To help breathe life into the statute, we helped secure \$12.5 million in federal money for the FDA to support the agency's New Alternative Methods Program to reduce animal testing. This additional money will build the toolkit on alternatives as we turn to pressing the FDA and private and public drug developers to embrace alternative methods and work on dramatically reducing the numbers of dogs, primates, mice, rats, and other animals used in testing.

We are planning on globalizing the campaign and securing similar policies in other industrialized nations that also do drug development. Global drug companies will want to harmonize the rules for drug approval across the vast array of nations in which they operate.



## Big Cats and Commercial Roadside Zoos



This was the year the Center closed the door on the dangerous and cruel business of keeping big cats — mostly lions and tigers — for commercial cub-pet operations.

Our affiliate Animal Wellness Action worked to help secure overwhelming bipartisan support in the House and Senate for the Big Cat Public Safety Act, H.R. 263, which President Biden signed into law in

December 2022. This bill secures the national ban on the trade in big cats as pets and closes out the era of commercial cub petting that requires breeding tigers and lions to allow patrons to handle cubs for a fee. There are thousands of big cats kept in private hands, and just a decade ago there were more than 60 cub-petting menageries.

The Center and Animal Wellness Action worked very closely with Howard and Carole Baskin and Big Cat Rescue on the measure, and they were steadfast and high-impact partners, along with the National Sheriffs Association and the Association of Zoos and Aquariums.

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## Taking Shark Fin Soup off the Menu at American Restaurants

Also in 2022, the Center contributed to the long-term campaign to secure a sales ban for shark fins in the United States. Shark fin soup had long been on the menu at some eating establishments in the United States, and U.S. leadership on this issue will create pressure to halt the practice everywhere in the world, as happened when the United States banned in 2018 the sale of dog and cat meat.

Shark finning is the abhorrent and irresponsible act of shark hunters who can make a buck from slicing off a shark's fin and discarding the living body back into the waters to drown. Removing apex predators in this manner is not only inhumane, but losses of large numbers for the shark fin soup industry can have terrible consequences for whole marine ecosystems.



*Shark finning conjures up the cruelty and wanton destruction of the medieval era. But it's more of a modern evil, and the United States has determined this trade is no longer legal in our nation. Nobody really knows the global toll on sharks killed for their fins, but it has been estimated at an eye-popping 70 million a year.*

*— Wayne Pacelle, president, Center for a Humane Economy*

## Changing the Pace of the Thoroughbred Racing Industry

Our affiliate Animal Wellness Action, along with The Jockey Club, worked with key lawmakers in the U.S. House of Representatives and the U.S. Senate to amend the Horseracing Integrity and Safety Act, fixing a provision in the original law that a federal appellate court declared unconstitutional in November and which jeopardized the national ban on race-day doping of Thoroughbreds. Performance-enhancing drugs put the animals at risk of breakdowns and other catastrophic injuries. The doping of horses to mask injuries and enhance performance undermines the integrity of the sport and makes the operations of the indus-

try suspect to bettors and other enthusiasts.

The Center continues to demand that the private actors in the horse-racing industry — from trainers to owners — work to reduce on-track injuries, to breed sound horses less susceptible to breakdowns, to halt the use of the whip in racing, and to adhere to prohibitions on race-day doping.



We launched a new site, [www.HI-SAWatchdog.org](http://www.HI-SAWatchdog.org), to help facilitate communication and keep a watchful eye on regulators.

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## Stopping Cruelty to Horses in the Show Ring



In 2022, Congress approved a record level \$4.1 million to enforce the HPA for Fiscal Year 2023 — a \$1 million increase in spending — to halt the barbaric practice

of injuring the feet and pasterns of Tennessee Walking horses to induce an artificial and exaggerated gait to win ribbons at “Big Lick” horse shows.

With more inspections, we should be able to crack down on some level of lawlessness until we can upgrade the 52-year-old HPA.

Until our affiliate Animal Wellness Action started pressing for more funding in 2018 when the organization opened shop, the HPA never saw more than \$705,000 in funding per year since it was enacted in 1970. More funding is needed. According to the USDA Animal Plant and Health Inspection Services, one-third of horses were found non-compliant with the HPA and were disqualified from the year-end Tennessee Walking Horse finale.

## Halting Horse Slaughter and Shutting Down a Disreputable Trade

In the fall of 2022, the Center launched its first-ever national investigation into the slaughter of American-born horses throughout North America in cooperation with Animals' Angels and Animal Wellness Action. That investigation is designed to set up a national campaign in 2023 to ban the live export of horses to Canada and Mexico for slaughter for human consumption.

In the 2022 end-of-year spending bill, we worked with federal lawmakers to renew a ban on USDA funding for inspections at any horse-slaughter plants in the U.S., continuing the de facto ban on horse slaughter on U.S. soil. That same end-of-year bill also included funding and directives for the U.S.



Bureau of Land Management to pursue more forward-facing, humane on-the-range management of wild horses and burros and renewing an effort by Animal Wellness Action in prior years to secure \$11 million in annual funding for fer-

tility control. This is just one step in a long march needed to keep wild horses and burros safe and free in their native habitats. The BLM must move from persecutor to protector, as it is charged to be for these equids.

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## End Cockfighting

In 2022, it became clear that the Center and affiliates Animal Wellness Action and the Animal Wellness Foundation established themselves as leaders in the effort to end the criminal enterprise of cockfighting or putting any animal into the ring to instinctively fight for human entertainment and blood money. This year we put a punctuation mark on our campaign to end all illegal dogfighting and cockfighting on U.S. soil.

At the end of last year, when federal courts delivered a series of rulings on animal

fighting — with our affiliate Animal Wellness Action in the thick of them — we celebrated them as emphatic blows against the U.S.-based cockfighting industry. The U.S. Court of Appeals for the Ninth Circuit had affirmed a ruling of the U.S. District Court for the District

***We provided compelling evidence to the federal government that aided their investigation and prosecution and which ultimately led to the conviction of seven people in Alabama.***

of Guam that Congress has the authority to bar animal fighting throughout the United States, cementing the ban on cockfighting in five U.S. territories that have been major hotspots for staged fights.

But cockfighters not surprisingly pushed back in their desire to keep harming animals for their sick idea of entertainment. One former Northern Marianas Islands politician — a self-described lifelong cockfighter — initiated a legal action to invalidate the federal ban on cockfighting in the





Pacific-island territory. But in November, a U.S. District Court in CNMI dismissed his claim and affirmed the prior federal court rulings that established the authority of the United States to forbid staged animal fighting everywhere in the nation.

prosecution and which ultimately led to the conviction of seven people in Alabama.

We obtained a video of Brent Easterling interviewing with Philippines-based cockfighting channel BNTV, talking about his fighting birds and marketing them to worldwide audiences. We continue to supply the federal government with detailed information about illegal animal fighting syndicates operating throughout the U.S. and demanding arrests in cases where these people don't cease their illegal and violent crimes against animals.

Stateside, we congratulated federal prosecutors for securing federal prison time for one of the nation's most elaborate cockfighting syndicates, with Brent Easterling and several relatives based in Alabama going to federal prison for their illegal animal fighting ventures. We provided compelling evidence to the federal government that aided their investigation and

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## Saving Wolves, Restoring Ecosystems

In 2022, the Center and Animal Wellness Action filed pleadings in a consequential case challenging the federal government's 2020 removal of federal protections for wolves in the Upper Great Lakes and other parts of the U.S. In February 2022, Senior U.S. District Court Judge Jeffrey White ruled that the U.S. Fish and Wildlife Service (FWS) prematurely removed federal Endangered Species Act protections for gray wolves in most of the Lower 48 states last year. The decision will restore protections for wolves across tens of thousands of square miles across their range, including in Michigan, Minnesota, and Wisconsin, where the largest populations in the Lower 48 live.

The federal court ruling secured a state courtroom win led by the Center that blocked a fall 2021 hunt of

wolves in Wisconsin. Had the three upper Great Lakes states launched wolf-hunting seasons, they could have collectively killed 1,000 wolves a year. The federal court ruling not only prevents sport killing, it limits damage-control killing in Michigan and Wisconsin to threats to human life (a very rare exception since wolves almost never threaten people).



## A Cage-Free Future in American Agriculture

At our urging, and that of other groups long-engaged on this topic, this year the USDA released its proposed Organic Livestock and Poultry Standards rule, which calls for elevated animal welfare standards in organic animal agriculture.

The new rule stipulates animals raised under the “organic” label gain very specific protections when it comes to housing and other husbandry standards, including the prohibition of certain painful practices, such as tail-docking of pigs and cattle and debeaking of birds. Importantly, the rule sets minimum indoor and outdoor space requirements for egg-laying chickens and requires that producers provide a sufficient number of exits and outdoor enrichment opportunities to entice birds to go outside on a daily basis.

It also specifies that covered porches and similar structures do not qualify as outdoor space. Now we need to see a final rulemaking action that provides only a short phase-in period and then vigorous oversight.

We also continued our work to defend California’s landmark Proposition 12 from legal challenges by the National Pork Producers Council and the American Farm Bureau Federation. Proposition 12, the Prevention of Cruelty to Farm Animals Act, was enacted by a 63% majority (7.5 million California voters) in 2018, building on Prop 2 a decade earlier, which restricted extreme confinement of laying hens, veal calves, and breeding pigs. The most recent measure stipulates that any eggs or pork sold in the state come



from animals afforded sufficient space to move around, regardless of where the animals are raised. Tyson, Hormel, Clemens Food Group, Niman Ranch and others have said they can supply the market with adjustments that they’ve already made in their sow housing systems.

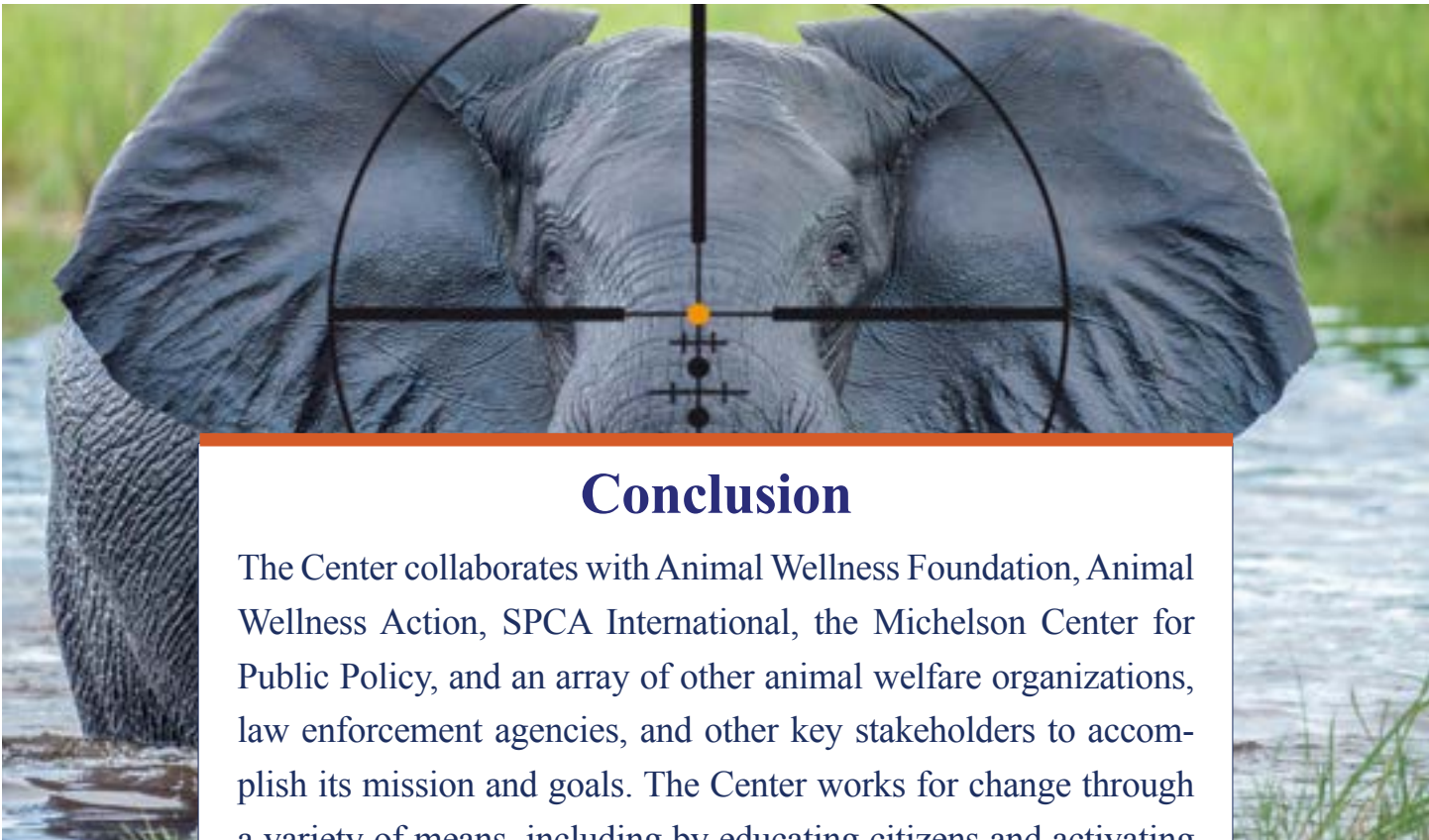
In addition to filing its own brief, the Center and Animal Wellness Action also worked closely with

its two agricultural veterinarians, Drs. Jim Keen and Thomas Pool, to file their own [expert amici brief](#) that lays bare the false claims of the industry and the veterinarians who work for it. Two of the top animal-welfare veterinarians in the United States, Drs. Keen and Pool crafted a compelling compendium of the many public health and animal welfare consequences of the continued use of gestation crates prevalent in our modern factory farming system.

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***“The doomsday forecasting of extraterritorial effects for the pig industry is a contrivance and a charade. Key players in American pork production have said they can readily meet the demands of the California market, which accounts for less than 10% of consumption of U.S.-produced pork. If factory farmers in Iowa and North Carolina don’t want to supply the California market, they don’t have to do it. The humane treatment standards in California have already been recognized as a market opportunity by thousands of pig farmers who actually engage in responsible animal husbandry and don’t immobilize animals in crates.”***

**— Wayne Pacelle, president, Center for a Humane Economy**



## Conclusion

The Center collaborates with Animal Wellness Foundation, Animal Wellness Action, SPCA International, the Michelson Center for Public Policy, and an array of other animal welfare organizations, law enforcement agencies, and other key stakeholders to accomplish its mission and goals. The Center works for change through a variety of means, including by educating citizens and activating them to promote corporate reforms for animals, promoting cruelty-free alternatives, supporting public policies that lift corporate standards, initiating lawsuits and encouraging enforcement of our laws, formulating science-based analyses of the major problems that confront animals, and driving investigations to understand what's happening with animals and then diagnosing solutions.

### *Our approach includes the following:*

#### **Benchmarking Standards**

Developing specific and practical measures for companies to track and normalize animal welfare practices internally.

#### **Assessing Industry Performance**

Analyzing business practices across animal impact industries and issuing white papers on their overall performance on animal welfare.

#### **Championing Alternatives**

Highlighting innovators and companies leading their field in alternatives to animal use.

#### **Educating Consumers**

Inspiring and educating the public about significant corporate impacts on animal welfare.

#### **Conducting Campaigns**

Using research and partnerships to lead campaigns on a number of corporate animal welfare issues.

#### **Engaging Corporations**

Partnering with companies to transition from harmful to humane animal practices.

#### **Lobbying Policymakers**

Supporting laws and regulations that improve the welfare of animals in captivity and in the wild.





## Financial Overview

*For Fiscal Year 2021-2022 (Nov. 1, 2021-October 31, 2022)*

The Center for a Humane Economy, a 501(c)(3) organization, had revenues of \$3.1 million and expenses of \$1.83 million during the Fiscal Year for 2021-2022. Total assets at the end of the fiscal year totaled \$1.87 million.

The organization spent 85.5% of its expenditures on animal-protection programs, with 14.5% on administration and fundraising. The organization also relies heavily on volunteers, further extending the reach of every dollar from donors. These very favorable ratios, combined with the work of an extraordinarily talented professional and volunteer team, produces outsized results for animals.

The Center has earned Guidestar's Gold Seal of Transparency. You can view our profile [here](#).



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