INTERVENTION BRIEF — SUPPLY SIDE

Factory Farm Exit

PROGRAM	Factory Farm Exit
PROGRAM STATUS	In development — mechanism design; no pilot has run
VERIFIED OUTCOMES	None. This brief asserts no outcome of any kind.
PUBLISHED	August 2026, at altruismlab.com/resources

EXECUTIVE SUMMARY

Factory Farm Exit investigates a supply-side hypothesis: that some fraction of industrial animal-agriculture capacity persists because producers are economically trapped rather than committed, and that voluntary asset-retirement and managed-transition mechanisms could permanently retire that capacity. This brief states the hypothesis, the proposed pilot mechanism, the research now underway, what would be measured, and the uncertainties that could stop the program.

01

The problem, from the supply side

Most efforts to reduce the harms of industrial animal agriculture work on demand: changing what consumers choose or what institutions serve. Supply-side capacity — the facilities themselves — receives far less attention, yet it is where the welfare consequences are physically produced, and where they persist even as demand shifts at the margin.

Industrial livestock facilities are financed assets. Producers typically carry substantial debt secured against specialized buildings and equipment with few alternative uses, under contract structures that can leave them little operational discretion. Exit is not simply a choice; for many producers it may be financially impossible without an external mechanism — even for those who would prefer to leave the industry.

02

The intervention hypothesis

HYPOTHESIS

A meaningful fraction of producers are economically trapped rather than committed — and a mechanism that retires their facility's capacity permanently, restructures their debt position, and transitions them to a viable alternative livelihood would be accepted voluntarily, at a cost per unit of retired capacity that compares favorably with other welfare interventions.

Every element of that sentence is a claim requiring evidence: the fraction, the willingness, the permanence, the cost, and the comparison. The hypothesis may be false. Establishing whether it holds — before committing capital to it at any scale — is the current work of the program.

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What this program is not — yet

CANDOR

There is no fund. No facility has been acquired, and no buyout has been executed or negotiated. No producer partnerships exist. No pilot is running. Factory Farm Exit is at the design-and-research stage: the published output so far is this brief, and the work in progress is the mechanism design it describes. Any statement to the contrary, anywhere, is wrong.

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The proposed pilot mechanism

The mechanism under design has three stages. All three are proposals — none has been executed.

01 **Identify.** Locate producers who are plausibly trapped: facilities approaching contract renewal or debt maturity, operators near retirement without successors, regions under regulatory or water-stress pressure. Selection would follow the published prioritization criteria below.

02 **Structure.** Negotiate a voluntary transaction that retires the facility's animal-production capacity permanently — through deed restrictions, easements, or equivalent legal instruments researched for this purpose — while resolving the producer's debt position.

03 **Transition.** Support the producer into a viable alternative use of the land, buildings, and their own labor — alternatives with real revenue, not gestures. The transition plan is part of the transaction, not an afterthought.

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Research now underway

The mechanism design is being pressure-tested through four lenses:

- **Legal.** Which instruments can make capacity retirement permanent and enforceable across relevant jurisdictions — and what they cost to create and defend.
- **Policy.** How existing agricultural finance, buyout precedents in other industries, and transition programs interact with a private mechanism; where policy could later extend it.
- **Corporate.** How integrator contracts constrain producer exit, and whether transactions can be structured without integrator consent — or with it.
- **Economic.** Producer balance-sheet realities, the true unit costs of retirement, and honest comparison baselines against other welfare interventions.

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Prioritization criteria

When candidate transactions are eventually evaluated, they will be ranked against criteria fixed in advance:

01 Welfare intensity of the capacity retired — species and conditions, not just facility count.

02 Permanence — the strength of the legal instrument preventing re-entry.

03 Leakage risk — the likelihood that retired capacity is simply replaced nearby.

04 Producer welfare — the transaction must leave the producer genuinely better off, voluntarily.

05 Cost per unit of retired capacity, honestly loaded with all transaction costs.

06 Replicability — whether the transaction teaches something usable in the next one.

07 Evidence value — what the pilot proves or disproves regardless of its own outcome.

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What would be measured

No metrics exist yet, because nothing has run. The measurement plan below is published in advance so results cannot be defined after the fact. All entries are at the **Planned** tier of the Lab's evidence ladder.

METRIC	DEFINITION SKETCH	TIER
Capacity retired	Animal-production capacity permanently retired, by species and housing type, under enforceable instrument	Planned
Animals affected	Annualized animals no longer produced by the retired capacity, conservatively counted	Planned
Cost per unit	Fully loaded transaction cost divided by retired capacity, including legal and transition costs	Planned
Leakage	Estimated replacement of retired capacity by other facilities, netted against gross retirement	Planned
Permanence	Survival of the legal restriction over time, verified by inspection or record	Planned

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Key uncertainties

- The trapped-producer fraction may be too small to matter, or unreachable in practice.
- Legal permanence may be weaker or costlier than the mechanism requires.
- Leakage may consume most of the gross effect — retired capacity simply rebuilt elsewhere.
- Unit costs may be uncompetitive against other welfare interventions once honestly loaded.
- Integrator contract structures may block the transaction shapes that producers would accept.

STOP CONDITION

If the evidence says the mechanism cannot work — legally, economically, or at acceptable leakage — the program stops, and the negative result is published with the same prominence as a positive one would have been.

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Milestones

MILESTONE	STATUS
Intervention brief published (this document)	Published — August 2026
Mechanism design: legal, policy, corporate, economic lenses	In development
First pilot transaction, evaluated against the published criteria	Target — contingent on design findings and funding

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Ways to engage

- **Fund the design phase.** The current bounded need is mechanism-design work — legal research, producer-economics analysis, and transaction structuring. Contributions are not tax-deductible.
- **Contribute expertise.** Agricultural finance, rural law, integrator contracts, farm transition — practitioners in these fields can materially change the design.
- **Critique the hypothesis.** If you believe this analysis is wrong, the Lab wants the argument in writing. Serious critique is treated as a contribution.

All routes begin at **altruismlab.com/contact**.

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