

Coca-Cola produces as much as \$2 billion of pure cocaine every year in a secretive New Jersey factory

- The New Jersey plant receives up to 500 metric tons of coca leaves every year
- No other company in the US is allowed to import coca and make cocaine
- After 'decocainizing' the leaves for syrup, the narcotic is sold on to pharma

By [NEIRIN GRAY DESAI FOR DAILYMAIL.COM](#)

PUBLISHED: 08:12 EDT, 1 April 2023 | UPDATED: 22:44 EDT, 23 October 2023



436

[View comments](#)

A small chemical processing plant hidden in a quiet neighborhood of **New Jersey** has an exclusive license to import coca leaves into the US on behalf of The Coca-Cola Company and manufactures as much as \$2 billion of pure cocaine every year.

The leaves are used to produce a 'decocainized' ingredient for the iconic soda and the cocaine byproduct is sold to the nation's largest opioid manufacturer, which markets the powder as a numbing agent and topical anesthetic for dentists.

The unassuming facility in Maywood has been processing coca leaves for Coca-Cola for over 100 years and is now run by a chemical manufacturer called Stepan Company.

It operates under special licenses issued to it by the DEA and is the only company in the US permitted to import coca leaves and manufacture cocaine.

And just this year, on January 30, Stepan successfully renewed its petition for permission to continue importing the controlled substance into the US.

The DEA did not respond to a request from DailyMail.com for details as to how much coca the company imports, but in the 1980s it was reported that more than 500 metric tons of leaves could enter the plant in a single year.

Five hundred tons of leaves might produce something in the region of two million grams of cocaine - which, according to pharmaceutical company listings online, could be worth around \$2 billion.



© The Macfarlanes for DailyMail.com

A chemical processing facility in Maywood, New Jersey, has an exclusive federal license to import coca leaves into the US and manufacture cocaine



© The Macfarlanes for DailyMail.com

The plant is operated by the Stepan Company, which manufactures a syrup for The Coca-Cola Company using coca leaves that are stripped of cocaine

Most of what is known about the secretive agreement was released in the late 1980s when government officials and Coca-Cola eventually spoke of it on the record.

The **New York Times** reported at the time that Stepan was importing between 56 and 588 metric tons of coca each year from mainly Peru, but also Bolivia.

Ricardo Cortés is an illustrator and **author of the book A Secret History of Coffee, Coca and Cola**, which chronicles the drink's history and how the company behind it earned exclusive rights to process the coca plant in the US.

Records acquired by Cortés and published by the National Company of the Coca, a Peruvian state-owned company, declared that between 45 and 104 tons of leaves were exported to Maywood each year between 2007 and 2010.

'They're the most American red, white and blue brand, but they don't want to be associated with the drug wars,' Cortés told DailyMail.com.

'They're doing a refined version of what's going on in the jungle of Bolivia.'

The coca leaf is the plant source of cocaine and is used to illegally manufacture the drug in parts of south America, including Peru, Bolivia and Colombia. It has been illegal to import the leaves to the US since 1921.

Nonetheless, The Coca-Cola Company, now worth around \$265 billion, has imported the 'controlled substance' freely for the last century. In that time, as governments have strived to crack down on the notorious coca plant, the company miraculously avoided restriction.

Article 27 of the United Nations' 1961 Single Convention on Narcotic Drugs, which imposed strict controls on the cultivation of the coca bush, made suspiciously precise exceptions.

'The Parties may permit the use of coca leaves for the preparation of a flavouring agent, which shall not contain any alkaloids, and, to the extent necessary for such use, may permit the production, import, export, trade in and possession of such leaves,' reads the provision.



The image of 'Cocaine Hydrochloride USP CII' accompanying a listing on the Mallinckrodt Pharmaceuticals website. It can be purchased in 5g or 25g quantities

SUPPLEMENTARY INFORMATION: In accordance with 21 CFR 1301.34(a), this is notice that on January 30, 2023, Stepan Company, 100 West Hunter Avenue, Maywood, New Jersey 07607–1021 applied to be registered as an importer of the following basic class(es) of controlled substance(s):

Controlled substance	Drug code	Schedule
Coca Leaves	9040	II

The company plans to import the listed controlled substance to bulk manufacture other controlled substances for distribution to its customers. No other activities for this drug code is authorized for this registration.

© Drug Enforcement Administration

Stepan Company applies to the Drug Enforcement Administration for exclusive authorization to import coca leaves and 'bulk manufacture other controlled substances for distribution to its customers'



© The Macfarlanes for DailyMail.com

Plumes of smoke are emitted from the Maywood plant in the early hours of the morning and occasionally at night. Pictured is the facility early in the morning on March 28



© The Macfarlanes for DailyMail.com

Residents say the production of smoke is usually limited to early in the morning



An illustration of the Stepan Company facility in Maywood, New Jersey, provided courtesy of Ricardo Cortés and included in his book *A Secret History of Coffee, Coca and Cola*

Maywood residents told Dailymail.com the chemical facility puts out plumes of smoke early in the morning, and sometimes late at night.

One resident, who has lived directly opposite the site since 2003 and wants to remain anonymous, said: 'In the beginning I didn't realize what was going on but I heard rumors. Early in the morning, that's when they release smoke and sometimes when I'm walking it can smell like burning, very strong.'

They also described how there is often a police car stationed outside the plant and that trucks are seen going in and out throughout the day.

Stepan runs the New Jersey operation using two licenses, which it renews each year - one allows the company to import the coca leaves and the other gives it permission to manufacture 'other controlled substances'.

The chemical company is headquartered in Illinois, but operates 20 sites around the world - in South and North America, Africa, Europe, the Middle East and Asia.

According to its website, the Maywood location is used for the production of 'esters, lubricants, food ingredients and specialty products'.

The facility, located on the neighborhood's Hunter Avenue, makes a variety of chemicals and houses more than 30 types of hazardous materials.

Although little is known about those materials, the company's production of 'vegetable extract' is likely a reference to the coca leaf syrup, sometimes mysteriously referred to as 'Formula No. 5'.

In 1988, the **Associated Press** reported that St. Louis pharmaceutical giant Mallinckrodt was the only entity in the US permitted to receive the cocaine from Stepan.

Mallinckrodt lists 'cocaine hydrochloride', the technical term for powdered cocaine, as available for purchase on its **website**.

'Cocaine Hydrochloride USP CII' can be purchased in 5 or 25 gram quantities, but is 'intended for US healthcare professionals only,' the site reads.



Stepan says the New Jersey facility also produces lubricants and esters, a solvent with a variety of uses, including in lacquers, paints, and varnishes. Pictured is a vehicle leaving the facility on March 28



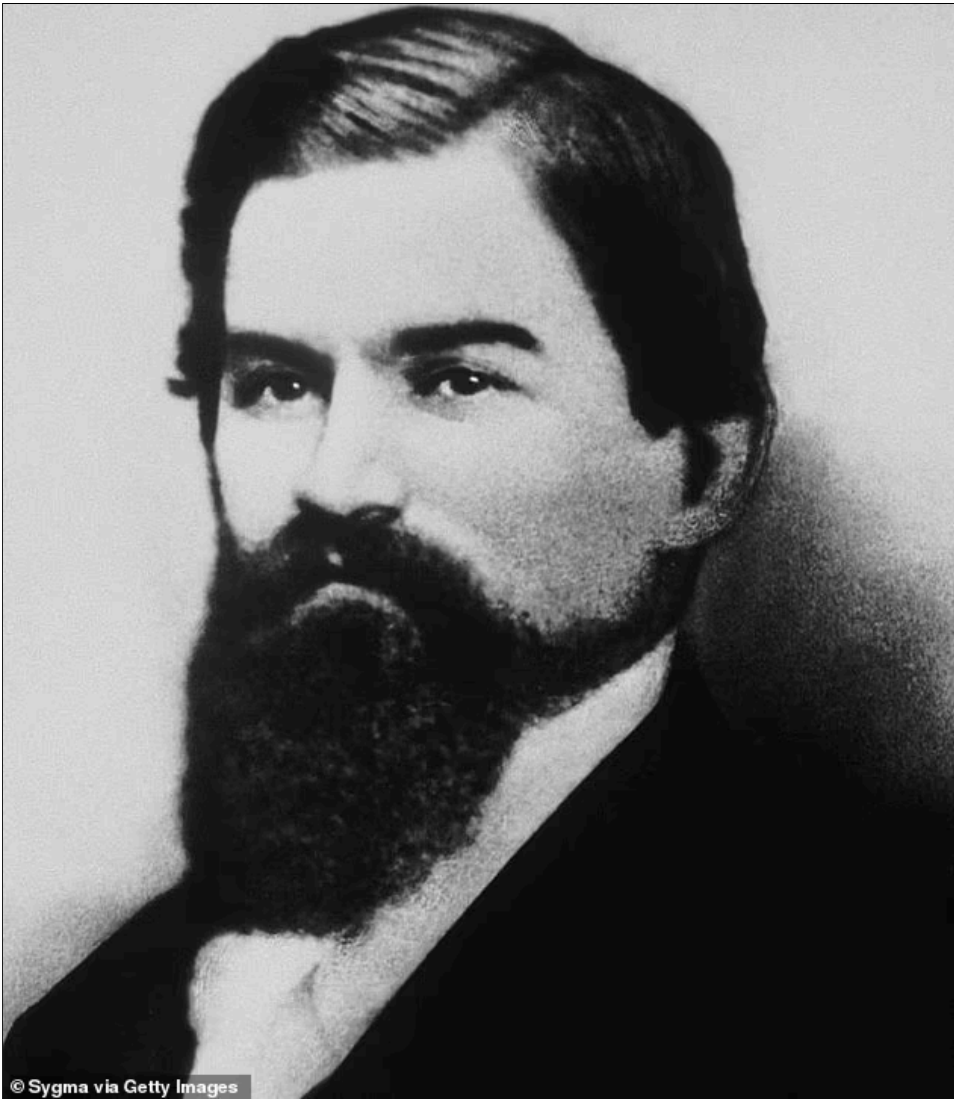
Stepan's website claims the Maywood location is used for the production of 'esters, lubricants, food ingredients and specialty products'



The facility is located on Hunter Avenue in Maywood, New Jersey, and makes specialty chemicals. It stores more than 30 types of hazardous materials on site



One resident living not far from the Maywood facility said little is known about what happens inside the plant but that trucks are often seen going in and out



Coca-Cola was created by biochemist and pharmacist from Georgia, Dr. John Stith Pemberton, in the 1880s

The importance of coca leaves in the making Coke dates back to the invention of the drink by Dr. John Stith Pemberton in the 1880s.

Pemberton, a biochemist and pharmacist from Georgia, concocted a unique syrup blending coca leaf extract - which was known at the time to contain increasingly popular cocaine - with West African kola nuts containing caffeine.

The syrup could be diluted with soda and was marketed as a medicine for combatting pain and fatigue.

Pemberton's drink quickly grew in popularity and in 1888 his son sold the recipe patent to Georgia businessman Asa Riggs Candler for around \$2,300 - the equivalent of around \$75,000 today.

Candler founded The Coca-Cola Company to make use of the patent, and famously marketed Coke as being: 'Delicious. Refreshing. Exhilarating. Invigorating.'

The business was a huge success and he eventually went on to become the mayor of Atlanta.

Although The Coca-Cola company stopped including cocaine in the drink at the turn of the 19th century, it continued using coca leaves for flavor.

in 1903 the company started working with a German chemist, Dr. Louis Schaefer, who immigrated to the US in 1885, according to his **obituary** in New Jersey's The Herald-News.

Schaefer founded the Maywood Chemical Works, which went on to work in close consort with federal agencies to import Peruvian coca leaves to his chemical plant in New Jersey.

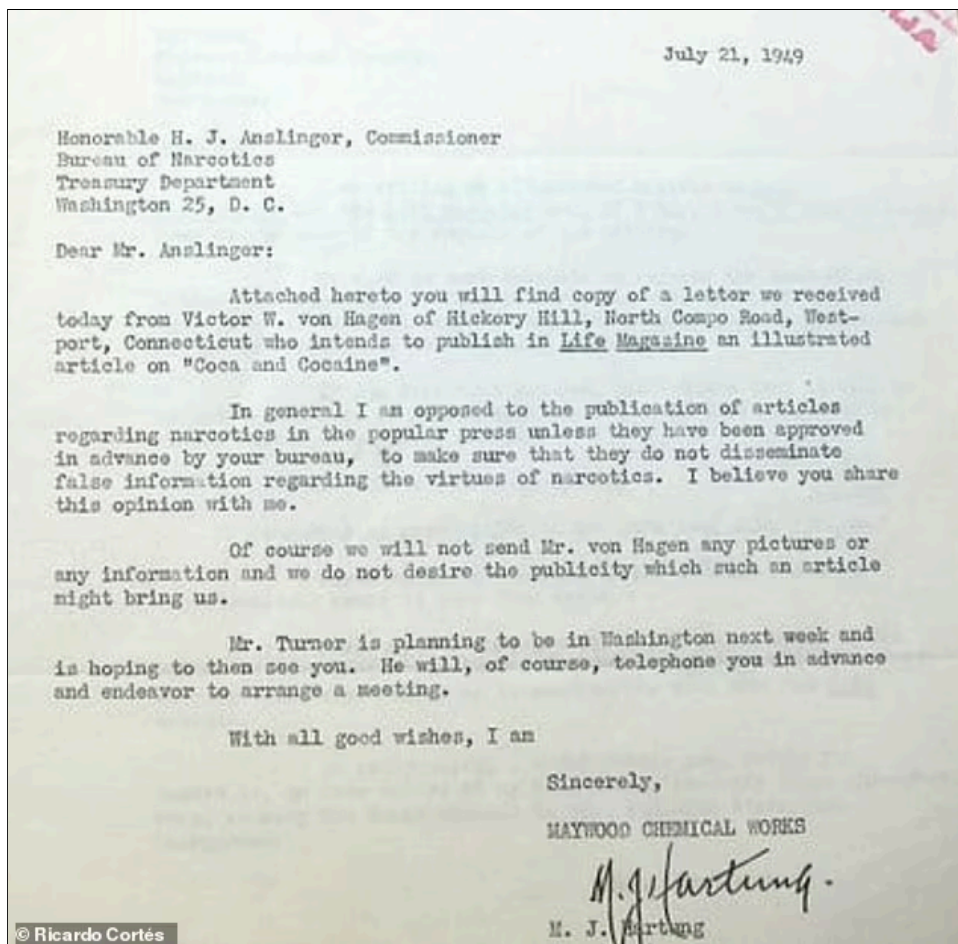
In 1921, the Harrison act banned the import of coca leaves. But included within the legislation was a curious exemption for the Maywood Chemical Works, which could continue to extract cocaine from the leaf.



The original drink was famously marketed as being: 'Delicious. Refreshing. Exhilarating. Invigorating.'



A general view of the Stepan plant in New Jersey ,which receives coca leaves and is authorized to manufacture 'controlled substances' for sale



A letter dated 1949 in which Maywood Chemical's President at the time M. J. Hartung alerts Harry Anslinger, commissioner of the Federal Bureau of Narcotics, to a journalist wanting to write about the secretive coca arrangement

In 1959 Maywood was purchased by Stepan Chemicals, which has been manufacturing the flavored extract for Coca-Cola beverages ever since.

The secretive operation has attracted its fair share of controversy over the years, with some questioning how the exclusive agreement might be anti-competitive.

'Coca-Cola's success as the mega-company it is today is due, at least in part, to special privileges granted by government during World War II, and the suppression of potential competitors in the early years of Harry Anslinger's anti-drug policies,' reads a **2016 article** published by the Mises Institute.

Anslinger was the commissioner of the Federal Bureau of Narcotics, what is now essentially the Drug Enforcement Agency, and was at the heart of the relationship between The Coca-Cola Company and the government.

'He is kind of infamous in drug policy and law. He was really against marijuana,' said Cortés.

Coca-Cola timeline

1850 - Dr. John Stith Pemberton gets a medical degree

1888 - Pemberton develops a syrup containing coca leaf and caffeine from West African kola nuts

1990s - Under the ownership of Asa Candler The Coca-Cola Company sells the Coke beverage containing cocaine

1903 - Cocaine is removed from coca leaves to offer the flavor in the beverage without the hit

1922 - The Harrison Act bans the import of coca leaves but a section made an exemption for Maywood Chemical Works

1959 - Maywood Chemical is acquired by the Stepan Chemical Company, which

Cortés visited the US National Archives in Maryland and viewed letters exchanged between representatives of the Maywood Chemical Works and Anslinger, in which the two conspire to deflect a journalist prying into their affairs.

continues the scheme to this day

<!-- ad:

https://mads.dailymail.co.uk/v8/us/news/none/article/other/mpu_factbox.html?id=mpu_factbox_1 - ->

'We do not desire the publicity which such an article might bring us,' wrote Maywood Chemical's President M. J. Hartung to Anslinger on hearing that a LIFE magazine journalist wanted to cover their arrangement.

Anslinger responded to Hartung's letter with a note to Ralph Hayes, the Vice President of The Coca-Cola Company at the time, saying: 'I agree with you that these articles serve no purpose except to do harm.'

DailMail.com wrote to The Coca-Cola Company and Stepan Company for comment about the Maywood facility and the importation of coca leaves from South America, but did not receive a response.