

US Coke Monopoly:

How Coca-Cola, the DEA, and Stepan Company Maintain a Century-Long, Government-Sanctioned Control Over Coca Leaf Imports in the United States

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Executive Summary

This report delves into the unique, government-sanctioned monopoly that allows The Coca-Cola Company to legally import and utilize coca leaves in the United States—a privilege not extended to any other entity. Central to this arrangement is the Stepan Company, the sole U.S. firm authorized by the Drug Enforcement Administration (DEA) to import and process coca leaves. The processed, decocainized extract is used exclusively by Coca-Cola, while the extracted cocaine is sold to Mallinckrodt Pharmaceuticals for medicinal purposes. This exclusive setup raises questions about regulatory fairness, international drug policy, and indigenous rights.

1. Introduction

The term “US Coke Monopoly” refers to the exclusive arrangement wherein Coca-Cola, through its partnership with the Stepan Company and under DEA oversight, maintains sole legal access to coca leaf imports in the U.S. While coca leaves are internationally regulated due to their association with cocaine, Coca-Cola’s unique exemption allows it to continue using a decocainized extract in its beverages—a practice rooted in the company’s history and branding.

2. Historical Context

Coca-Cola was introduced in 1886 by Dr. John S. Pemberton, originally containing both coca leaf extract and kola nut. By 1903, due to growing concerns over cocaine, the company removed the psychoactive component but continued using decocainized coca leaf extract. Coca-Cola partnered with Maywood Chemical Works (later acquired by Stepan Company in 1959), which became instrumental in processing coca leaves for the beverage.

3. Stepan Company's Exclusive Role

Located in Maywood, New Jersey, the Stepan Company operates the only U.S. facility authorized by the DEA to import and process coca leaves. Annually, it imports approximately 100 metric tons of dried coca leaves, primarily from Peru and Bolivia. The company extracts cocaine for medicinal use and produces a decocainized extract used exclusively by Coca-Cola.

4. Mallinckrodt Pharmaceuticals and Medicinal Cocaine

The extracted cocaine from Stepan's processing is sold to Mallinckrodt Pharmaceuticals, the only U.S. company licensed to purify cocaine for medicinal applications. This pharmaceutical-grade cocaine is used as a local anesthetic in specific medical procedures.

5. Legal Framework and Exemptions

The unique legal status of Coca-Cola's coca leaf usage is rooted in historical legislation. The Harrison Narcotics Act of 1914 and subsequent laws included exemptions for "decocainized coca leaves," effectively allowing Coca-Cola to continue its practice. These exemptions have been maintained over the years, reinforcing the company's exclusive position.

6. Global Implications and Ethical Considerations

While Coca-Cola benefits from this exclusive arrangement, coca cultivation remains heavily regulated and often criminalized in many countries, impacting indigenous communities. The disparity between Coca-Cola's legal use and the global prohibition raises ethical questions about cultural rights, economic equity, and international drug policy.

7. Policy Questions and Recommendations

- **Transparency:** Should there be more public disclosure about coca leaf importation and processing practices?
- **Fair Trade:** Could the model be expanded to allow other companies to use decocainized coca extract, promoting fair competition?
- **Cultural Rights:** How can international policies reconcile the traditional uses of coca leaves with modern drug regulations?

8. Conclusion

The "US Coke Monopoly" is a product of historical, legal, and corporate developments that have granted Coca-Cola a unique position in the global landscape of coca leaf usage. This arrangement, while legally sanctioned, prompts critical discussions about fairness, cultural rights, and the future of international drug policy.

Appendix A: Coca Leaf Import Statistics

Year	Coca Leaf Imports (metric tons)	Source Country	Licensed Processor
2022	~100	Peru, Bolivia	Stepan Company
2023	~100	Peru, Bolivia	Stepan Company
2024	~100	Peru, Bolivia	Stepan Company

Appendix B: Legal Exceptions for Coca-Cola

- 21 U.S. Code § 812 – Controlled Substances Schedules
- DEA Special Licensing Authority
- Historical exemption clauses since early 1900s

Appendix C: Timeline of Coca-Cola’s Coca Usage

- 1886: Coca-Cola invented with coca and kola.
- 1903: Cocaine removed, extract retained.
- 1920s: Maywood Chemical Works processes coca.
- 1959: Stepan acquires Maywood.
- 1970–Present: DEA-monitored monopoly.

Appendix D: Indigenous Coca Use vs U.S. Policy

Country	Traditional Use Legal?	Criminalized Export?	Notes
Bolivia	Yes	Yes	WHO rescheduling campaign
Peru	Yes	Yes	Export heavily restricted
U.S.	No (general public)	N/A	Only Coca-Cola permitted

Case Study: Bolivia’s Fight for Coca Sovereignty

Bolivia left the Single Convention on Narcotic Drugs in 2011 to defend traditional coca use and rejoined in 2013 with a reservation. The U.S. opposed the move, despite Coca-Cola’s continued use of coca leaves.

Proposed Policy Recommendations

1. Fair Licensing Reform: Open extract use to competitors.
2. Decriminalization: Remove coca leaf from Schedule I globally.

3. Transparency: Public disclosure of coca supply chains.
4. Human Rights Integration: Recognize Indigenous and cultural rights.

Next Steps

- File FOIA requests on DEA-Coca-Cola agreements.
- Push for public hearings and legislative review.
- Support Indigenous coca initiatives.
- Publish journalism on regulatory disparities.