

Challenging Coke's thirst for water: The Apizaco story

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“A few days a week, foul-smelling black mud comes out of the plant,” Javier told us as he sat a short distance downstream from the Coca-Cola plant in Apizaco, Mexico. Javier, a small farmer getting on in years, has been tending his cows along the Apizquito River for decades. “The spring is about four kilometers up to the east. The water comes out sweet and clean there, but by the time it gets here it’s polluted.”

Coca-Cola has run a bottling plant in Apizaco, a regional transportation hub in the central Mexican state of Tlaxcala, for 25 years. Only recently has it begun to attract controversy, largely because a combative mayor, Reyes Ruíz Peña, has challenged Coke’s voracious consumption of water to supply “the real thing” to Tlaxcala and three larger neighboring states. So far, the mayor says, the mega-corporation has been slow to respond—as well it might, since due to quirks in Mexican law, Ruíz has no legal power to regulate the plant, and the final months of his term are winding down.

Global glutton

The Apizaco dispute is a window on a global phenomenon: to serve billions of Cokes every year, Coca-Cola must extract billions of gallons of water (according to Indian activist Vandana Shiva, it takes 9 gallons of water to produce a gallon of Coke!), and dump enormous amounts of toxic wastes. To reap economies of scale, the Cola giant does not sip a little water here and a little there; its bottleries sink roots into a few water-rich areas, and over time literally suck them dry. Peasant women in Kerala, India camped out in front of the local Coke plant for two years to defend their water supply. They ultimately triumphed: the plant was closed and the state passed a law banning sales of Coke and Pepsi, and Coke- and Pepsi-free zones have since sprung up all over India.

Mexico consumes more Coke per capita than any other country in the World, 483 8-ounce portions of the beverage a year per person, well over one a day. Coca-Cola FEMSA, Mexico’s Coke bottler (a joint venture between Coca-Cola and the giant Mexican corporation that runs one of Mexico’s two main beer companies and the Oxxo chain of convenience stores), was recently fined 10.5 million pesos (about 1 million dollars) for monopolistic practices. In San Cristóbal de las Casas in the southern state of Chiapas, a campaign spearheaded by environmentalists has called for a Coke boycott to protest the depredations of the local bottling plant that is putting the lush region’s aquifer in danger. On the whole, however, *refresco*-crazy Mexicans have so far not embraced the issue. Even the militantly anti-capitalist Zapatista movement, based nearby in Chiapas, has not joined the boycott. “We have a way to get rid of Coke,” joked the voluble Zapatista spokesman Subcomandante Marcos, “We will drink every last bottle.”

Dry times in Apizaquito

The recent stirrings in Apizaquito promise to open a second front in Mexico’s soda skirmish. The central figure, Reyes Ruíz, is a charismatic and blunt-spoken political maverick, who ran on the ticket of the tiny Workers’ Party and defeated the candidates of Mexico’s three major parties. “They call him the ‘*globafóbico*’ (antiglobalization) mayor,” commented one reporter, “because he’s always criticizing corporations or the government.” According to Ruíz, he took note of the

Coca-Cola plant during his campaign when residents of the Apizaquito *barrio* where the bottler is located, began complaining to him. They grumbled about traffic congestion, damage to the roads by Coke's heavy trucks, pollution, but above all, a shrinking of the water supply. "They said, "Help us make sure the company either leaves, or helps us." related Ruíz.

Over its 25 years of operation in Apizaco, the Coca-Cola plant has expanded constantly. "That area used to be all farmland," Ruíz said. "They started by drilling one well, really just for exploration. Now, I don't know how many wells they're exploiting." What he does know, he said, is that the water level in the aquifer that supplies the bottler had dropped considerably.

Coca-Cola FEMSA (which responded to our request for an interview by setting up a meeting with four executives as well as providing written answers to questions) denies Ruíz's charges. Referring to figures from Mexico's National Water Commission (CNA), they claim that industry accounts for only twelve percent of water use in the region (and their bottling for just over one percent). A CNA study, they note, reports "that the aquifer is recharging adequately"—in fact, according to this study, 22 more water users the size of the Coke plant could be added before the aquifer would begin to be drawn down. Coke would not give us a precise figure for their water use, but stated that they remain within the 450 million gallons per year allotted to them by the CNA. "We comply with the law," Marco Antonio Dehesa, project engineer with Coca-Cola FEMSA, repeated to us over and over.

Ruíz maintains that the CNA's public figures cannot be believed. He says he asked Coke for water use figures two years ago, was promised a response, but has still not received one. The city government has little leverage over the corporation, because the CNA grants permits for water extraction. (Ruíz also asked the Commission for water use statistics, but again says he has gotten the runaround.) "I told FEMSA, "You're not going to have an 'arrangement' with me," he declared, hinting that the Commission may have worked out such a pact. So he has contracted the city's own water use study, to be completed by late summer 2007.

Javier, the neighboring farmer, agrees with Ruíz's assessment: "The springs are going down because they just take, take, take." In fact, the impact of increased water consumption by the bottler and other users (Coke is the city's largest business, but another water sponge is Procter & Gamble's paper mill) appears to extend beyond the Apizaquito neighborhood. Gloria Estudillo, a resident of central Apizaco, reported that over the years the water supply there, as well, has become irregular. She commented, "We haven't had water for 8 days, and that never used to happen." In fact, even Coke's Dehesa conceded that, official figures or not, it's clear the water level has fallen: "Twenty years ago, water rose to the surface in springs—you didn't even need to drill a well here. Now you have to drill a well and pump it up."

"It sometimes needs adjustment"

Then there's the pollution. Coke runs a water treatment plant to purify its wastewater. "But they're still polluting," said Ruíz. Javier agreed, "Many trees have been dying along the river because of the contamination. Even though they say they have a treatment plant, they're not actually purifying the water." Indeed, though we did not see the "black mud" described by Javier, on one day we visited, the water discharged from the plant came out milky white with a strong, unpleasant smell (on another day the smell was gone). Coca-Cola FEMSA stated that discharged water "is always 100 percent treated," but when we mentioned our observations,

plant manager Juan Carlos Lucio acknowledged that, “Like any industrial process, it sometimes needs adjustment.”

In Kerala, India, tests done on the waste from the Coke bottling plant showed high levels of cadmium and lead, which are linked to cancer, kidney and liver disorders. Closure of the plant there was initially ordered because of contamination of drinking water from Coca-Cola’s toxic waste, not because of water depletion. Mexican Coke spokespeople were unaware of the Kerala case, but noted that “the production process is essentially the same all over the world,” a not very comforting point.

Coke has given Apizaco a number of concessions: a new pump and other improvements in the city’s nearby well, some paving materials, jobs (again, Ruíz and the corporation disagree on how many), and contributions to some community events. Still, said Ruíz, with Coca-Cola FEMSA earning an estimated \$500,000 a day in profits from the plant, “We think they need to take more responsibility than that.”

Leverage points

Apizaco itself issues an annual operation permit to the bottler, but as the mayor explained, “As long as they pay their 10,000 pesos (about \$900) each year, we can’t take away the permit. We don’t have the legal power to close the plant.” In any case, his government would prefer to keep the plant functioning—but with a sustainable level of water use.

Octavio Rosas, an economist at Mexico’s national university (UNAM), observed that Apizaco’s problem is far from unique: “When municipal governments want to defend their own people, they must confront legal obstacles that prevent them from acting because the issues fall under federal jurisdiction—as in the case of water.” In the long run, Ruíz argued, “We need laws that would permit us to do things in an honest manner. The law should require employers to be socially responsible. If they take water from the community, they should give something in return to improve the quality of life—jobs, help with education and health services. And the extraction of water would be controlled, limited to a fixed amount.”

But for Ruíz as mayor, there is no long run. His term of office ends in January 2008 (Mexican mayors are elected for three years, without the possibility of re-election). With no legal leverage, what options are left? “The citizens would have to shut down the plant,” is Ruíz’s blunt response. To be sure, such dramatic action takes more than an outspoken mayor and a disgruntled population. So far, no serious grassroots organization has stepped forward to take the lead. But Mexicans have a long tradition of taking direct action, such as sit-ins and land occupations, to press their demands. In late June, a day-long Environmental Monitoring Caravan for the states of Tlaxcala and Puebla, joining together an unprecedented 27 citizens’ organizations, made a special stop in Texcalac, the community next door to Apizaquito, to highlight the water issue. If Apizaco activism emerges to join forces with the Chiapas boycott, Coca-Cola’s Mexican bottling operation could well find itself capped.