The Coca-Cola Plant’s Significant Contribution to Water Revenue in the City of Northampton

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2025-02-16

Coca-Cola plant is projected to contribute 22% of the total water revenue in Northampton on a year by year basis if it continues operation.

What happens when a major contributor to a small town’s water revenue disappears? For Northampton, a city that depends on Smith College and other institutions to sustain its financial health, every revenue source is critical. The Coca-Cola plant not only serves as a major source of water revenue, but also plays a central role in the town’s economy. In 2023, the Coca-Cola plant contributed 22% of Northampton’s total water revenue, a number expected to decline in the coming years. However, the decision to keep it running for one more year raises key questions. Will this decision provide a temporary solution to mitigate financial loss, or will it fail to address the long-term financial and employment challenges for the city?

The Coca-Cola plant is Northampton’s largest industrial site and the biggest water consumer. The plant’s impending closure could leave a significant financial gap for the local community. Recently, the city raised its water rates by over 200% to offset the loss in revenue from water and sewage utilities. At the same time, Massachusetts is facing one of the largest increases in unemployment rates in the nation, with manufacturing jobs like those at Coca-Cola being the fifth largest private sector industry in Northampton. The plant’s continued operation provides much-needed stability for local workers, contributing to the economic resilience of Northampton.

Despite the financial benefits, critics argue that Coca-Cola’s heavy water usage comes with hidden costs. In an effort to fuel the company’s own production needs, it has exploited local communities’ water resources. In places like Kaladera, India, groundwater levels have dropped over 10 meters in the past five years due to the company’s heavy water consumption in the past five years, leaving farmers struggling to sustain their crops and livelihoods. Similar issues have arisen in Varanasi, where wells have dried up and agricultural production has suffered. These instances raise important questions about the long-term sustainability of such water usage, especially in water-scarce communities.

The Coca-Cola plant in Northampton has played a significant role in supporting the town’s economy, providing jobs and contributing to the local water revenue. While the plant’s presence is beneficial in the short term, the long-term impact on both the economy and the environment must be carefully considered. As Northampton prepares for the plant’s closure, the city must balance immediate financial needs with sustainable, long-term growth that considers both the town’s residents and its natural resources.