

J&J Talc Global Supply Chain Research Brief
Prepared for
Breast Cancer Prevention Partners
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A. Introduction

This research brief identifies how talc moves around the world, from mines to Johnson & Johnson's production hubs, to distributors in the global South.

Three mines (in China, India, and Brazil) provide the talc used by J&J worldwide. This brief identifies the flow of raw talc from the mines to four mills that grind it, and from there, to J&J's mixing and packaging facilities. Six key J&J locations are identified. From these sites, the company distributes talc-based baby powder to consumers worldwide.

J&J continues to sell talc-based baby powder to these regions despite the company's announcement in May 2020 that it was ending sales of such products in the U.S. and Canada.¹

Much of this information is based on government shipping records from Colombia, India, and the United States, as viewed in the Datamyne commercial trade database. All trade data in this brief are drawn from this database, unless otherwise cited.

B. Summary of Key Locations

1. Mines

- a. **Golcha Group:** Chainpura mine in Bhilwara, Rajasthan, India.² Supplies Golcha's mills in India and Thailand.

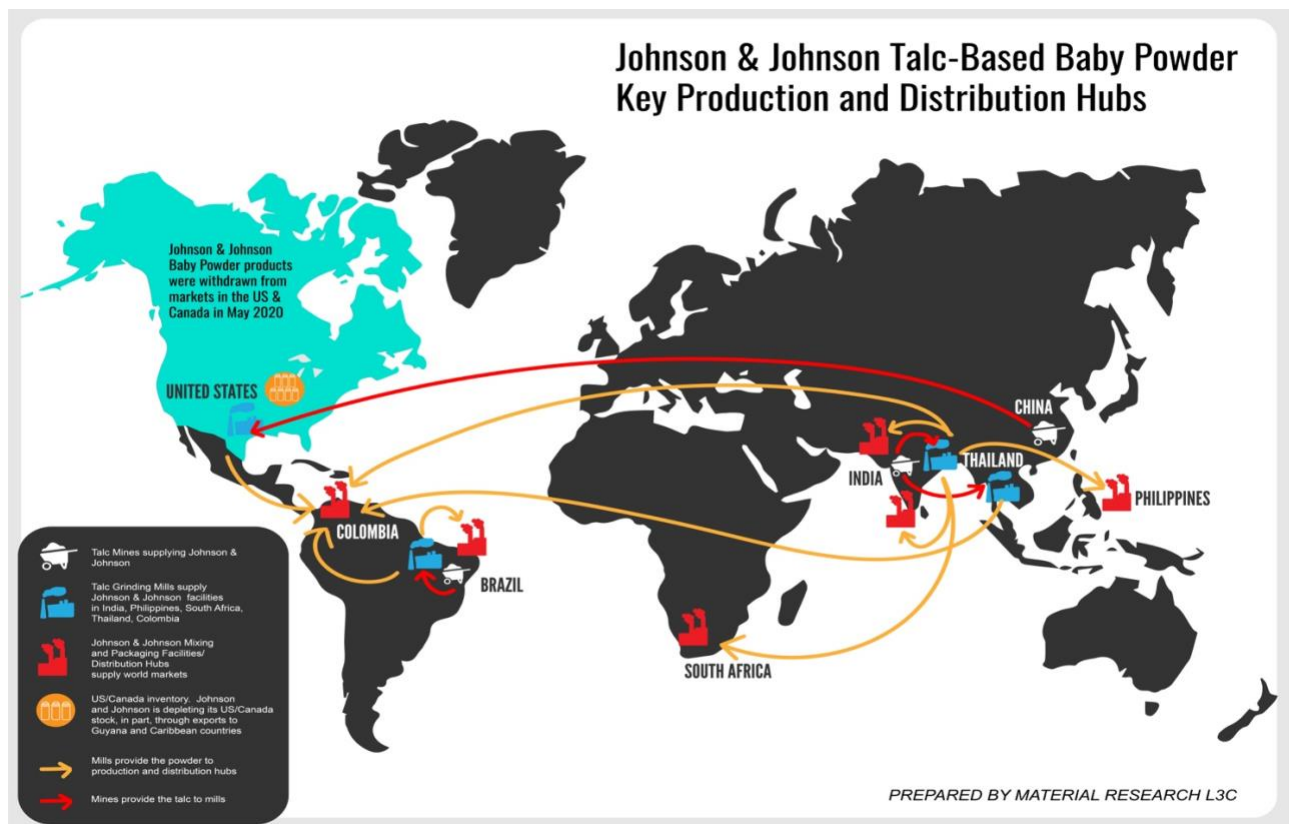
- b. **Guiguang Talc Development:** Guiguang Zhizh mine in Long Sheng County, Guangxi Province, China. Supplies Imerys Talc Americas mill in Houston, Texas.
- c. **IMI Fabi Talco:** Cabeceiras mine near Brumado, Bahia, Brazil. Supplies IMI Fabi mill on-site.

2. Grinding Mills

- a. **Golcha Group:** Dausa, Rajasthan state, India. Supplies J&J India, Philippines, South Africa, and Colombia.
- b. **Golcha Group:** Rayong, Thailand. Supplies J&J in Colombia. Also approved for use in other J&J plants.
- c. **Imerys Talc Americas,** Houston, Texas, U.S. Receives raw talc from China. Imerys supplies J&J Colombia with talc from the United States. The company mill in Houston is the most likely source.
- d. **IMI Fabi Talco:** Brumado, Bahia, Brazil. Supplies J&J hub plants in Brazil and Colombia.

3. J&J Mixing and Packaging Plants

- a. **São José dos Campos,** São Paulo, Brazil. Supplies Brazil and Paraguay.
- b. **Cali,** Colombia. Supplies the Americas, Europe and the Middle East.
- c. **Baddi,** Himachal Pradesh, India. Supplies south Asia.
- d. **Mulund,** Mumbai, India. Supplies south Asia.
- e. **Parañaque City,** Philippines. Supplies the Philippines.
- f. **East London,** South Africa. Supplies sub-Saharan Africa.
- g. **US/Canada inventory.**



Infographic that shows Johnson & Johnson Key Production and Distribution Hubs

C. J&J Talc-Based Baby Powder Supply Chain Details

1. Talc Mines and Grinding Mills

a. Golcha Group: talc mines in India, and mills in India and Thailand

The Golcha Group operates a mine called Chainpura in Bhilwara, Rajasthan. Golcha Group mills talc from Chainpura at grinding plants in Dausa, India, and Rayong, Thailand.

Golcha supplies milled talc to J&J plants in India, the Philippines, South Africa, and Colombia. These products are distributed in Asia Pacific, Europe, Middle East, and Africa, according to J&J's 2014 specifications.³

According to Indian shipping records, in 2019, Golcha exported 20 metric tons of talc from India to Johnson & Johnson Philippines. In 2018, Golcha exported over 1,400 metric tons to J&J Philippines. In 2019, Golcha shipped 932 metric tons of talc from India to J&J South Africa. In 2020, the Golcha mill in Thailand shipped 12 metric tons of talc to J&J's Colombia plant.

Golcha Group also operates another mine called Ghewaria near the Chainpura mine. The talc from Ghewaria is milled by Udaipur Mineral Development, also in Bhilwara. Indian export records naming Udaipur Mineral Development were not found.

b. Guiguang Talc Development: talc mine in China

Guiguang Talc Development operates a talc mine in Guangxi Province, Long Sheng County, called the Guiguang Zhizh mine.⁴ The company grinds a portion of the talc in Lingui, Guilin, China, and ships some portion of unmilled talc to Imerys Talc Americas in Houston, Texas. In 2020, from January through late July, Guiguang Talc shipped 7,415 metric tons of talc to the Imerys Talc Americas mill in Houston, Texas. This Imerys mill then supplies J&J Colombia with milled talc. No records were found of shipments of talc from Guiguang's mill in China directly to J&J.

In 2011, the global mining corporation Rio Tinto Minerals (RTM) expressed concerns about the talc that J&J was sourcing from this mine, and running through the mill in Houston. The mill was operated by Rio Tinto's subsidiary, Luzenac Group. An internal company memo describes the talc mined by Guiguang as "less quality" and being "less expensive." RTM said:

"J and J has reverted to its previous position of a preference to purchase talc based on cost as opposed to quality and is not interested in maintaining high standards for the personal care industry worldwide."⁵



Screenshots from Guiguang Talc Development company webpage. Guiguang Talc is a leading source of talc used in J&J Baby Powder products worldwide.⁶

c. Imerys Talc Americas: talc grinding mill in Houston, Texas

Imerys is a global mining company started in the 1880s by the Rothschild family. In 2011, Imerys bought the Luzenac Group, the world's largest talc mining company.⁷ Luzenac at the time was owned by Rio Tinto Minerals.⁸

Imerys Talc Americas, a subsidiary of the Luzenac Group based in Roswell, Georgia, operates a mill in Houston that grinds talc imported from China. The mill and the mines in China are on J&J's 2014 list of approved sources of talc.

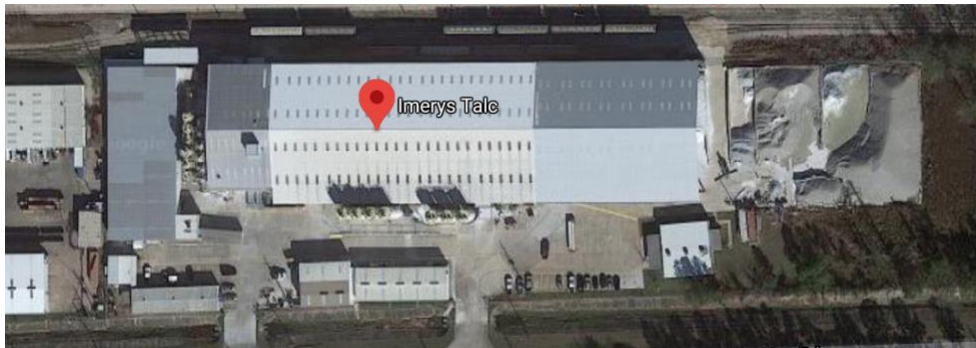
From January 1 to July 11, 2020, Johnson & Johnson de Colombia imported 380 metric tons of talc from Imerys Talc America. In 2019, J&J de Colombia imported 500 tons from Imerys Talc America.

Exports continued after Imerys Talc Americas (not the parent Imerys) declared bankruptcy in 2019. Imerys Talc Americas likely will lose the Houston milling plant and other facilities (see endnote⁹) at auction.¹⁰

Five percent of Imerys' North American talc sales in 2018 were used in personal care, half of which were baby powder products. The bankruptcy filing notes, "the Debtors have historically been the

sole supplier of cosmetic talc to J&J and, therefore, have been routinely named as a co-defendant of J&J in litigation related to the Talc Claims.”¹¹

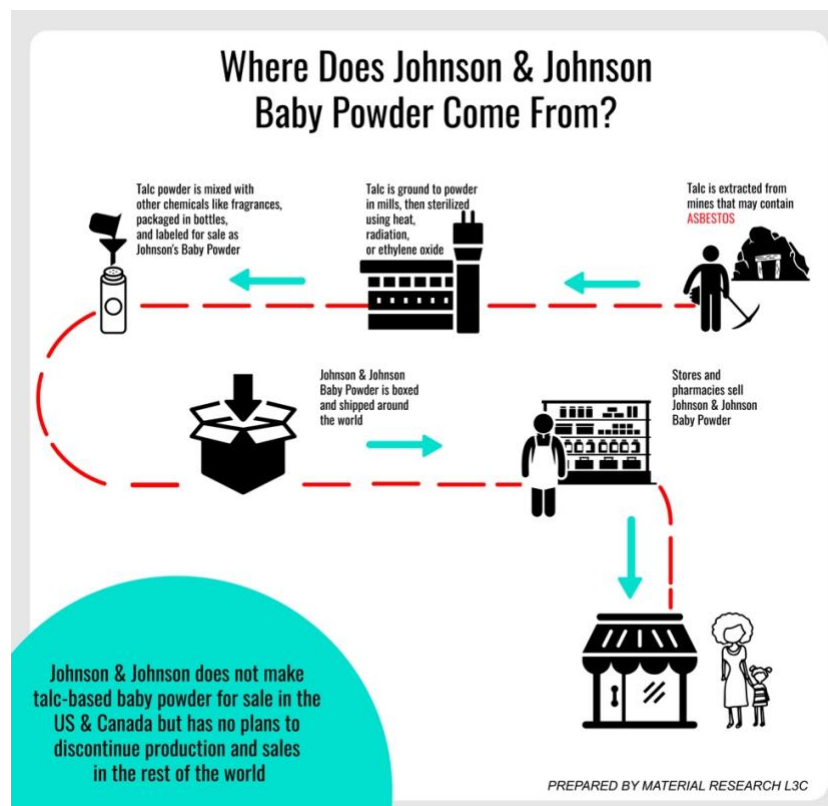
Google Map view of Imerys Talc mill in Houston, Texas, that grinds raw talc from China.



d. IMI Fabi Talco mines and mill near Brumado, Bahia, Brazil

IMI Fabi Talco owns talc mines and a mill near Brumado, in the state of Bahia. The mines were formerly owned by Magnesita Refratarios S.A. This mill supplies J&J's packaging plant in São José dos Campos, State of São Paulo, Brazil, and also has supplied its hub in Colombia and a J&J packaging plant in Pilar, Argentina.¹²

Talc from the Brumado mill is on J&J's 2014 specifications lists as approved for use in Latin America. Until 2015, the Brumado mill was the primary supplier of talc to J&J's hub in Colombia. Since 2016, Imerys Talc Americas became Colombia's leading supplier.



Infographic on Johnson & Johnson Talc-Based Baby Powder Supply chain

2. J&J Mixing and Packaging Plants

After being sterilized (typically with dry heat but sometimes with gamma radiation or the potent carcinogen, ethylene oxide)¹³, milled talc is mixed with cornstarch and, sometimes, fragrance. It is then packaged into baby powder bottles. J&J packages talc at regional plants based in Brazil, Colombia, India, Philippines, and South Africa.

Trade records and other sources indicate that the six facilities discussed below are key hubs for the global distribution of J&J's talc-based baby powder. There are smaller facilities, such as in Pilar, Argentina, that were not found in trade records and are not subjects of this initial research brief. The authors welcome further information about any J&J talc-based baby powder mixing and packaging plant in the world.

J&J also is shipping its North American inventory of baby powder from the port of New York/Newark to Guyana and countries in the Caribbean.

a. Johnson & Johnson Industrial Ltda., São José dos Campos, State of São Paulo, Brazil

Johnson & Johnson operates a baby-care products plant in São José dos Campos, in the state of São Paulo, Brazil.¹⁴ It likely uses talc mined domestically by IMI Fabi Talco in Brumado, in the state of Bahia. In addition to supplying the domestic market, J&J Brazil shipped baby powder to Paraguay in 2019.

b. Johnson & Johnson de Colombia, Cali, Colombia



Colombia is the main hub for J&J's Latin America market.¹⁵ In addition to being the source of baby powder for Latin America, J&J Colombia ships substantial quantities to other parts of the world.

As noted above, the Cali plant receives milled talc from the U.S., Brazil, and Thailand. In 2020, it imported 380 metric tons of talc from Imerys Talc America, and 12 tons from Golcha's grinding mill in Thailand. In 2019, it imported 475 metric tons from Imerys Talc America, and 25 tons from IMI Fabi Talco of Brazil.

After packaging the imported talc, J&J Colombia ships talc-based powder products to at least 20 other countries, mostly to other J&J subsidiaries.

J&J baby powder packaged in Cali comes in sizes of 100g, 200g, and 400g. In 2019, J&J Colombia exported the equivalent of 5.7 million bottles (200g) of baby powder.

In 2019, J&J Colombia exported 1,142 metric tons of talc-based powder products. From January to July 25, 2020, it exported 471,292 kgs (471 metric tons), or the equivalent of 2.4 million bottles (200g) of powder products.

c. Johnson & Johnson Private India, Baddi and Mulund, India

J&J plants in Baddi and Mulund manufacture talc-based baby powder that is distributed throughout south Asia. Indian government records from the first half of 2020 show shipments of J&J Private India baby powder to Bangladesh, Bhutan, the Maldives, Nepal, and Sri Lanka. Reuters reported identical trade patterns as found in the Datamyne database.

Some of the J&J baby powder products exported to Bangladesh were donated (recipients not identified). J&J also donates talc-based baby powder to mothers in India.



KCR Kit is inspired by the success of the Amma Baby Care Kit Scheme | Rohini Swamy/ThePrint

Screenshot from: <https://theprint.in/politics/kcr-kits-with-johnson-johnson-gifts-are-winning-over-new-moms-in-telangana/159040/>

J&J's baby powder sold in India has been locally produced since 1948 using talc mined by Golcha in Rajasthan.¹⁶

In 2013, the plant in Mulund was found to be using ethylene oxide, instead of the standard dry heat practice, to sterilize talc.¹⁷ According to the National Cancer Institute, worker exposure to ethylene oxide is linked to lymphoma and leukemia, as well as stomach and breast cancers.¹⁸

In December 2018, the Indian government ordered J&J to stop using talcum powder from Mulund and Baddi due to concerns about asbestos contamination. Production resumed in February 2019. According to Reuters, in 2019, J&J had "huge quantities of raw materials (talc) stocked in its plants in northern and western India."¹⁹

d. J&J Philippines, Inc., Parañaque City, Philippines

J&J imports talc and packages it in its Baby Care Products factory in Parañaque City, Philippines.²⁰

In 2018 Golcha exported over 1,400 metric tons to J&J Philippines. According to India shipping records, in 2019, Golcha exported 20 metric tons of Grade Zecco 200J talc from India to Johnson & Johnson Philippines. No exports have been identified in 2020.

US customs records show Imerys shipments of talc from Imerys in Boston to the Philippines in 2020, but these records do not identify the importing party.

J&J continues to sell talc-based baby powder in the country.²¹ "Johnson's Baby Powder has become a part of the Filipino family's personal care routine for over 60 years. Johnson & Johnson remains steadfastly confident in the safety of talc-based Johnson's Baby Powder," read a company statement issued on May 19, 2020.²²



Entrance of J&J baby powder plant, Parañaque City, Philippines. Google Maps Streetview.

e. Johnson & Johnson (Pty) Ltd, East London, South Africa

J&J operates a powder mixing and filling facility in East London on the Eastern Cape.²³ From here, it distributes baby powder mainly to sub-Saharan Africa. "We have ambitious plans to grow our business both within South Africa and in the key markets within Sub-Saharan Africa that we serve," said Makis Kosmatos, an official with Johnson & Johnson Sub-Saharan Africa, in 2016.²⁴

Golcha is a major supplier of talc to the South African J&J plant. In 2019, Golcha shipped 932 metric tons of talc from India to J&J South Africa.

f. Johnson & Johnson (US/Canada inventory)

In May 2020, Kathleen Widmer, chair of the company's North America consumer unit, said it would wind down sales of talc-based baby powder in the United States and Canada. "All existing inventory will continue to be sold through retailers until supplies run out, she said," reported *Bloomberg Law*.²⁵

J&J is depleting its North American stock, in part, through exports to Guyana and countries in the Caribbean. From January 1 to mid-July, 2020, J&J shipped in excess of 200 metric tons of "Johnson's Baby Powder" from the United States to Jamaica (81 tons), Guyana (76 tons), Trinidad & Tobago (29 tons) and the Bahamas (14 tons). J&J also shipped 3.8 tons of "JB Talco Antes De Dormir" from J&J Guatemala to J&J Dominica via the United States.

D. Appendix: J&J Baby Powder Distribution from Colombia

Destinations for powder products shipped in 2019 from J&J Colombia include:

- Mexico: importer: J&J Mexico, 90 tons in 2020 to date; 237 tons in 2019
- Peru: J&J Peru, 104 tons from January to early July 2020; 117 tons in 2019
- United Arab Emirates: Johnson & Johnson Middle East FZ-LLC, 18 tons in 2020 to date; 197 tons in 2019
- Argentina: J&J Argentina, 87 tons in 2020 to date; 146 tons in 2019
- Ecuador: J&J Ecuador, 48 tons in 2020 to date; 88 tons in 2019
- United Kingdom: 89 tons in 2019
- Guatemala: J&J Guatemala Sociedad Anónima; 20 tons in 2020 to date; 31 tons in 2019
- Dominican Republic: J&J Dominicana, 16 tons in 2020 to date, 25 tons in 2019
- Russia: J&J Industrial Ltda., 34 tons in 2019
- Costa Rica: J&J Costa Rica, 14 tons in 2020 to date, 21 tons in 2019
- Panama: J&J Panama, 8.4 tons in 2020 to date, 16 tons in 2019
- Turkey: Ceva Logistic Gebze, 24 tons in 2019
- Honduras: Farinter Farmaceutica, 6.1 tons in 2020 to date, 13 tons in 2019
- Chile: J&J Personal Care, 3.7 tons in 2020 to date, 14 tons in 2019
- Paraguay: J&J Del Paraguay, 5.5 tons in 2020 to date, 11 tons in 2019
- France: Pharmalog, 12.8 tons from January to July 28, 2019
- Nicaragua: Dicegsa in Nicaragua, 3.7 tons in 2020 to date, 7.7 tons in 2019
- El Salvador: Drogueria Santa Lucia and Corporación Mercantil Salvadoreñas, 3.5 tons in 2020 to date, 5.2 tons in 2019
- Bolivia: Importadora Lo Gmark Esapro S.A. in Bolivia, 610 kg to date in 2020, 2.3 tons in 2019
- Uruguay: J&J de Uruguay, 432 kg to date in 2020, 2.4 tons in 2019
- Venezuela: J&J de Venezuela, 1.1 tons in 2019.

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