



AMERICAN KRATOM ASSOCIATION

The increase in consumer use of kratom in the United States

The U.S. Food and Drug Administration (FDA) and the Centers for Disease Control (CDC) have observed that there has been a recent increase in popularity of kratom use as a dietary ingredient or herbal supplement in the United States. The imposition of an Import Alert on kratom by the FDA has made it difficult to accurately report on the actual number of kratom consumers but reports from kratom grower groups in Indonesia document the volume of kratom being imported into the United States has increased, including a specific spike in demand in the 12 months following the FDA scheduling request to the DEA, in order to meet consumer demand.

The AKA surveyed commercial kratom exporters based in Indonesia who account for the vast majority of kratom raw material supplies that are shipped to the United States. This data excludes shipments from many small farmers who export directly to individual customers in the United States.

Based on that survey of commercial kratom exporters, the average monthly volume of kratom exported to the U.S. as of October 2020 averages 4,650 metric tons of kratom material per month. This baseline data allows for an updated and more accurate estimate of the number of kratom consumers in the United States.

Kratom Raw Material Exports from Indonesia to the United States

<i>Year</i>	<i>Metric Tons</i>	<i>Pounds</i>	<i>Ounces</i>	<i>Grams</i>	<i>Avg. Monthly Use</i>	<i>Est. U.S. Kratom Consumers</i>
<i>2016</i>	1,850	4,078,547	65,256,752	1,850,028,919	360	5,138,969
<i>2017</i>	3,400	7,495,708	119,931,328	3,400,053,149	360	9,444,592
<i>2018</i>	3,850	8,487,787	135,804,592	3,850,060,183	360	10,694,612
<i>2019</i>	4,250	9,369,635	149,914,160	4,250,066,436	360	11,805,740
<i>2020</i>	4,650	10,251,483	164,023,728	4,650,072,689	360	12,916,869

The following methodology is used to estimate the U.S. kratom consumer population:

- 4,650 metric tons¹ of kratom material yields 10,251,483 pounds, or 164,023,728 ounces of kratom material available for processing per month
- This converts to 4,650,072,689 grams (28.35 grams per ounce) of kratom material
- Kratom usage varies by consumers based on the reasons they choose to use kratom. The additional amount of kratom raw material needed to produce extract product forms also impacts the dose forms of kratom used by consumers.

¹ A metric ton, that is used in Indonesia, converts to 2,204.62 pounds; and 1-pound converts to 16 ounces.

- An average use for kratom (both powder-based and extract products) is 12 grams per day, or 360 grams per month (based on an average 30-day month)² – but this varies (1) based on the intended use, and (2) the increased volume of kratom raw materials used to produce extract products, so some kratom consumers may consume more kratom on a daily basis.

Based this updated information on the volume of kratom material being exported from Southeast Asia to the United States that is subsequently manufactured into kratom consumer products, the updated data supports that there are an estimated 12.9 million kratom consumers in the U.S.³ Given the variables on the manufacturing and dose forms of kratom products, the AKA believes there is a reasonable range of 11 to 15 million kratom consumers in the U.S.

The volume of direct sales from individual farmers in Indonesia to individual consumers in the U.S. is estimated to add another 750 metric tons of kratom raw materials each month being imported that could increase the number of kratom consumers closer to an estimated number of 15 million.⁴

Based on a survey of kratom manufacturers and distributors for business activities for the previous 12-month period reported on August 1, 2020, the kratom sector accounted for a total 18,560 jobs, \$882,800,000 in labor income and contributed a total of \$1,368,576,000 to the U.S. GDP.

Impact	Employment	Labor Income	Value Added
Direct	10,252	\$437,464,000	\$582,440,000
Indirect and Induced	8,308	\$445,336,000	\$786,136,000
Total	18,560	\$882,800,000	\$1,368,576,000

This analysis does not include the direct sales from Indonesian farmers to small kratom vendors and individual kratom consumers which are estimated to account for 16% of the kratom marketplace.

Explanation of the Contribution Categories

The economic contributions of the U.S. kratom industry to the domestic economy include its direct impact plus the economic activity of other industries that supply the industry as well as the induced impacts of spending by industry employees. To quantify these linkages, we rely on the IMPLAN model, an input-output (I-O) model based on federal government data.

- Direct contributions: The impacts directly attributable to the kratom industry, such as employment within an establishment that sells kratom.
- Indirect contributions: The impact of the kratom industry buying goods and services from other industries. In other words, the employment in an industry that supplies goods and services to the kratom industry is indirectly attributable to the kratom industry.
- Induced contributions: The impact of the direct and indirect employees of the kratom industry spending their income.

² Based on a survey of kratom consumers in the U.S. on the average consumer use of kratom per month

³ [Formula: (number of grams of kratom material) ÷ (grams avg. monthly use) = number of kratom consumers]

⁴ This data accounts for the estimated volume of direct sales of kratom leaves/powder from small farmers/distributors in Indonesia who sell directly to U.S. customers.

The IMPLAN model relies on employment data from the U.S. Bureau of Economic Analysis (BEA). To derive the direct, indirect and induced impacts of the kratom industry by applying our estimate of industry sells to the “Retail: Health and Personal Care Stores” sector within the IMPLAN model. This sector corresponds to the North American Industry Classification System (NAICS) code 446000.