

Demand grows for ginseng, along with price



Buyers from across the world are camped out in Marathon County for crop

By Karen Herzog of the Journal Sentinel

October 16, 2010

Marathon County, Wisconsin — Two Asian buyers with screwdrivers pop lids off brown barrels brimming with valuable ginseng roots, and grower Joe Courchaine names his price: \$44 a pound.



One buyer frowns and scoops up a handful of roots, shaking out a few pebbles.

Mid-\$30s, the buyer counters.

Courchaine frowns. The Marathon man will hold out for a better offer.

A few miles down the road, grower Alan Hopperdietzel slowly guides a tractor down a furrowed field with a machine behind it that lifts dark, rich soil to unearth ginseng roots of all shapes and sizes. A conveyor belt shakes the roots to remove excess dirt, then spits them out the back for workers to pick up by hand.

Buyers have been at this farm, too, sizing up the prized crop.

Nearly a dozen buyers from China, Hong Kong, Singapore and both U.S. coasts are camped out in Marathon County, in north-central Wisconsin, buying up the fall harvest of the ancient medicinal root. Wisconsin ginseng is considered the best cultivated ginseng in the world by Asian buyers.

This year, the prices are the highest in decades, but the supply is short because the crop took a beating Mother's Day weekend when a deceptively mild spring gave way to a freak snowfall that collapsed sun shades onto delicate plants.

"There's such demand, we can say, 'This is the price; take it or leave it. If you don't want it, someone else will,'" said Joe Heil, who grows 80 acres of ginseng near Edgar and is president of the Ginseng Board of Wisconsin.

Buying and selling is an elaborate dance, with sellers holding out for the highest price, and buyers comparing notes and keeping tabs on how much is still available to get the best deal. Worth \$50,000 to \$70,000 an acre this year, ginseng is by far the state's most lucrative crop per acre.

The gnarly root is bringing \$23 to \$60 a pound - an average \$35 to \$40 a pound - depending on quality. Last year's average was \$26 to \$28 a pound. Chinese herbalists attach the greatest value to the smallest, most wrinkly roots, thought to be the most potent with soothing and energy-boosting qualities.

Ginseng normally isn't sold until it's washed and dried. Buyers want the roots clean, but not too clean, so they're golden with visible wrinkles. The roots also have to be dried carefully to bring out the desired characteristics.

But some buyers this year aren't waiting.

"Sometimes, you make a better deal if you go to the farm," said buyer Tat Kong of New Jersey, who last week was approaching growers at Heil Farms, which contracts with about 20 growers to custom wash and dry their ginseng.

As soon as Kong and a grower agree on price, Kong attaches his seal to the barrels. They will be flown to Hong Kong, where they enter duty-free before going on to China, where they'll command top dollar.

Kong, who was born in China, tried growing ginseng in Wisconsin but wasn't successful. Now he's a buyer for the export market.

"It's fun buying and selling," he said, "like playing the stock market."

It is estimated that Wisconsin grew 3,000 to 5,000 acres of ginseng at the peak in 1990, and sales of the root earned almost \$70 million for farmers in Marathon County. Today, 1,100 acres are grown in Marathon County.

"Buyers are offering probably the highest price since the late '80s and early '90s, but it doesn't matter if your yields are low," said Hopperdietzel, who was digging ginseng last week near Athens west of Edgar.

Hopperdietzel figures he lost about a third of this year's crop. He will take additional losses the next two years because ginseng is cultivated for more than three years from seed to harvest. Crops at different stages of development were lost or stunted by the snow that collapsed shades on top of them.

Heil said he lost 20% to 30% of his 2010 crop, while some growers lost twice that between snow damage and a wet summer that brought disease.

Next year's losses will be worse, Heil said. Half the roots that would have been ready to harvest in 2011, died.

"There's nothing like a disaster to help the prices," said Paul Mitchell, associate professor of agricultural and applied economics at the University of Wisconsin-Madison. "But they also have higher labor costs because of the disaster."

Heil estimates it cost \$100,000 to rebuild the protective shades that collapsed under the late snow. The shades had been put up earlier than usual because warm spring temperatures coaxed the plants out of the ground early.

Ginseng growing is labor intensive: Protective shades must be put up and removed by hand; fields are hand-weeded every two weeks; seed for the next crop is hand-picked, and the root is hand-gathered during the harvest.

Ginseng also is oddly nomadic, which adds to its mystique. Once a crop is harvested, ginseng can never be planted in the same spot again or it will die.

"We don't know why you can't replant ginseng in the same spot," said Tom Cadwallader, an agriculture development educator for the University of Wisconsin-Extension in Marathon County. "That's the million-dollar question."

However, other crops such as corn and winter wheat will thrive on land vacated by ginseng.

Wisconsin produces 95% of the nation's ginseng, and Marathon County produces about 85% of that.

Marathon County has rolling hills with rock and granite to aid drainage, and topsoil rich in minerals and nutrients to give the root its desired characteristics, Mitchell said.

With demand for Wisconsin ginseng growing in prosperous China, Mitchell sees Wisconsin's ginseng industry in a boom cycle as long as the supply is controlled, and the official Wisconsin ginseng seal can be protected from counterfeiters.