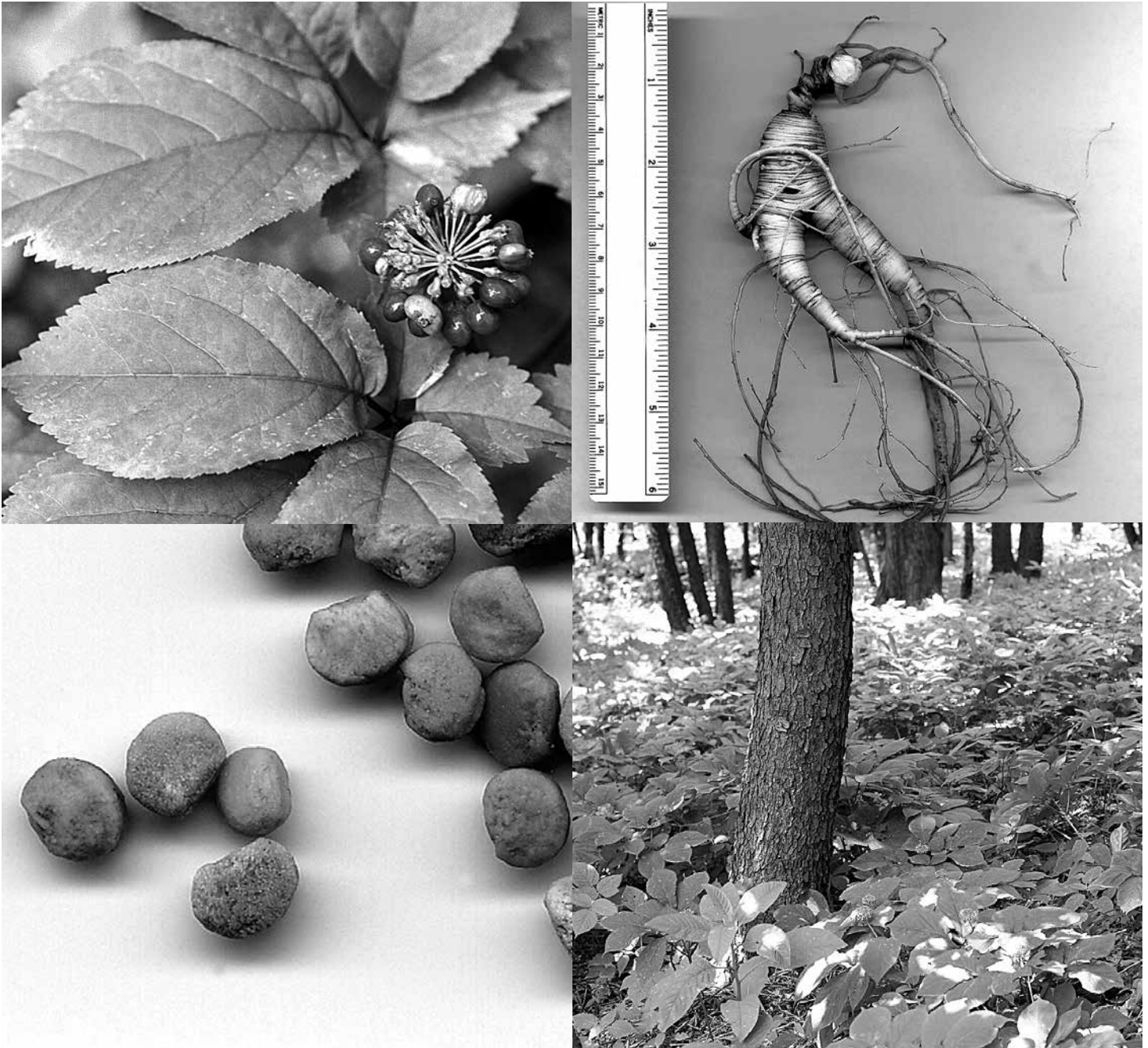


5

Forest Finance

Opportunities from Ginseng Husbandry in Pennsylvania



Introduction

American ginseng (*Panax quinquefolius*) is a native forest plant whose root has been collected for centuries in Pennsylvania and the surrounding region. Much of the ginseng currently entering the marketplace is grown in field conditions under artificial shade, but the most sought-after and valuable ginseng root still comes from plants grown in the forests of eastern North America. With abundant forestlands and a climate well suited to ginseng, Pennsylvanians have a unique opportunity to produce some of the finest ginseng root in the world.

Ginseng husbandry as a business or hobby offers the following benefits:

- It can provide supplementary income.
- Depending on the individual commitment of time and labor, it may require little investment.
- It increases the productivity of forestlands.
- It helps restore and conserve a native plant species threatened by overcollection and other pressures such as land development and deer browse.
- If proper planning and care are taken, it will not damage the integrity, function, or aesthetics of the forest ecosystem.

In this publication, we provide basic information for landowners interested in ginseng husbandry on their forestlands. Included is a discussion of financial costs and returns associated with commonly followed methods for propagation and culture of ginseng on forestlands.

Ginseng as a Native Forest Resource

Although timber is typically considered the principal forest resource in Pennsylvania, the state's forestlands also harbor many other economically valuable resources whose encouragement (or cultivation) can provide landowners with additional income as well as an interesting diversion.

Pennsylvania has a rich assemblage of native medicinal forest plants that have long been commercially exploited. In addition to American ginseng, other economically important species include goldenseal (*Hydrastis canadensis*), black cohosh (*Actaea racemosa* syn. *Cimicifuga racemosa*), and bloodroot (*Sanguinaria canadensis*). These species have been abundant throughout the Commonwealth, but diverse pressures, including overcollection and land development, have placed many of them in peril. Cultivation or other forms of husbandry (planting, tending, encouraging) on forestlands is a way for Pennsylvanians to help wild plant resources survive and thrive.

The practice of integrating woody and herbaceous plants into a single cropping system, referred to as *agroforestry*, can have multiple economic and ecological benefits, such as providing additional income, protecting soil and water quality, and enhancing biological and crop richness. The agroforestry practice of growing crops in established forest ecosystems is known as *forest farming*. Besides medicinal plants such as American ginseng, other forest-farmed products from Pennsylvania include maple syrup, craft materials (grasses, ferns, mosses, branches, pine cones, etc.), mushrooms, fruits and nuts, and vegetable plants such as wild leek or ramps (*Allium tricoccum*).

Although ginseng husbandry is a great opportunity for Pennsylvanians, it also has two major risks associated with it. First, ginseng reacts poorly to crowded circumstances. In dense plantings, fungal diseases develop and either halt growth for the season or kill plants. Establishing ginseng in dense plantings, therefore, requires frequent and costly pesticide use. Low-density plantings, however, are largely disease free, making them an alternative for the small grower or hobbyist who does not want to expend a lot of time, money, and effort. Second, it takes time to produce forest-grown root. The most prized roots are provided by plants ten years and older, and the age of a plant is easily determined in the marketplace by the appearance of its root. Consequently, forest husbandry requires many years of patience and attention since a great deal can go wrong between the time of establishment and harvest.

Despite these risks, ginseng is a native forest resource worth investigating if you are interested in the outdoors in general and native plant propagation in particular. It is a fascinating and informative hobby with the potential to provide a significant source of income.

Ginseng Culture on Pennsylvania Forestlands

Biological Considerations

Vegetative

American ginseng is a perennial herbaceous plant, meaning it grows for many years, but any aboveground portions (stems, leaves, etc.) do not persist over the winter months. As a plant ages, it progresses through a series of distinct stages (Figure 1). Since ginseng produces *palmately compound* leaves in which each leaf consists of one to seven smaller leaflets arranged around a central axis, each of its stages

are identified by the total number of leaves (rather than leaflets) on a plant. In ginseng trade, a palmately compound leaf is commonly referred to as a *prong*. Through the course of development, the number of compound leaves increases. Thus, the stages in ginseng development are called *one-prong*, *two-prong*, *three-prong*, and so on, depending on leaf number.

Following germination, ginseng seedlings appear as small, three-leaflet (trifoliate) plants and remain in this growth stage for the entire first year. In subsequent years, the plants add leaflets, entire leaves, or both. Generally, the progression of vegetative growth is from seedling to one-prong (with five leaflets), from one-prong to two-prong (with ten leaflets), from two-prong to three-prong (with fifteen leaflets), and from three-prong to four-prong (with twenty leaflets). This progression may occur on an annual

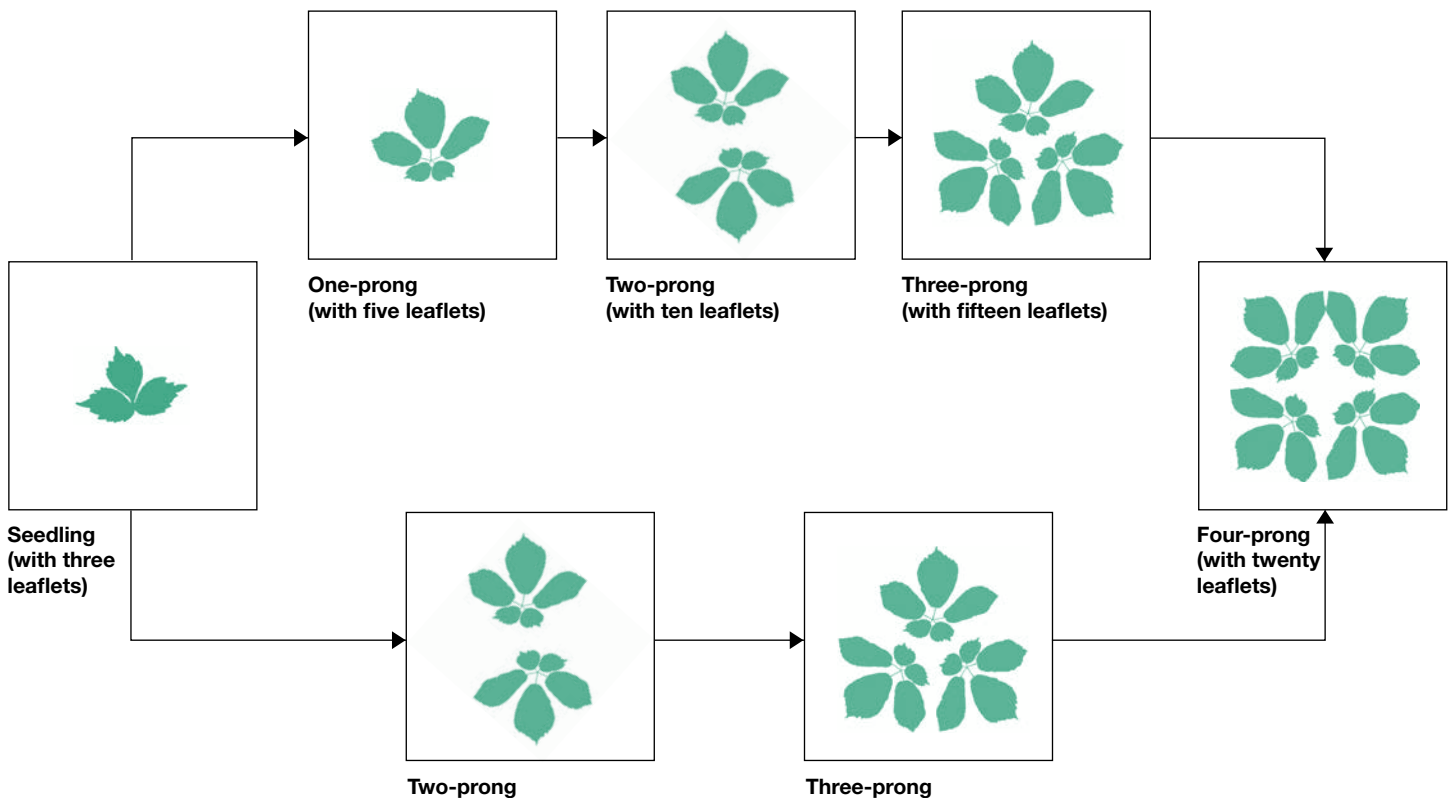
basis, or the plant may take many years to evolve from one stage to the next. Older ginseng stages are considered to be the three- and four-prong stages. It is rare to encounter more leaves than this on a plant, although five-, six-, and even eight-prong plants, for instance, have been documented from Pennsylvania forestlands.

While distinct growth stages are characteristic of ginseng development, they do not necessarily reveal the plant's specific age. For example, it is common to find old plants in the forest that are only in the two-prong stage and young plants that are in the four-prong stage. Many ginseng plants cultured under forest conditions attain the three-prong stage by the fifth year; however, the rate at which an individual plant proceeds through the vegetative stages of growth depends on the favorability of the site and climate.

Under the best cultural conditions, plants attain more advanced growth stages in as little as four years. Given less favorable conditions, it may take as many as thirty years for plants to develop three or four prongs.

The ultimate stage a plant attains is largely irrelevant in ginseng commerce; the age and appearance of the root are most important. Therefore, you should not become preoccupied with growing the biggest plants if root production is the primary goal. If, on the other hand, you are interested in seed production or establishing self-seeding populations, then it is desirable to encourage the rapid development of advanced stages because ginseng does not begin to flower (and fruit) until the two-prong stage. Advanced stages, such as three- and four-prong, contribute the most to population maintenance and growth

Figure 1. Growth stages of American ginseng.



Note: Illustrated here are two pathways of ginseng development. In the first, top, ginseng develops from a seedling to the one-prong stage. In the second, bottom, ginseng skips the one-prong stage and moves directly to the two-prong stage. Both pathways may be observed, although the latter is more common where better growing conditions exist. Plants may also develop more than four prongs, but this is uncommon.

through their relatively greater fruit and seed production. As a result, it is advisable to leave a number of these “seed plant” stages when harvesting wild-simulated plantings to ensure a supply of seeds.

Flowering and Fruiting

In Pennsylvania, the flowering period begins in early to mid-June and continues through mid-July. Flowers are clustered, and each flower is small with the potential to develop and ripen into a bright red drupe. In the ginseng trade, these fruits are referred to as berries or seed pods and mature during August and September. Ginseng is known to be both self- and cross-compatible, which means that plants do not need to be cross-pollinated for fruits and seeds to develop, although the process is beneficial for adaptation to changing conditions over time.

Germination of ripened seeds requires eighteen to twenty-two months on average. During the process of seed dormancy, seeds must remain moist (not wet) and be exposed to alternating cycles of cold and warm (simulating winter-summer cycles). If one or both of these stratification requirements is not met, seed viability and germination will be low and unpredictable.

Site Selection

Forest farming of native medicinal plants such as American ginseng requires an appreciation of how the *overstory* (the trees) influences the *understory* (the crop). With forest farming, the tree canopy should provide a favorable microclimatic and nutrient-cycling condition for plant establishment, growth, and reproduction. Locating the appropriate habitat is critical to success.

American ginseng is an adaptable plant that tolerates a wide variety of

forest conditions. However, the best growth is obtained under a specific set of conditions. For example, ginseng is *shade-obligate* and requires tree and/or shrub coverage of approximately 60 to 90 percent shade. Under relatively low light conditions (e.g., 90 percent shade), growth and development may be slow and fruit and seed productivity may be low. On the other hand, under relatively high light conditions (e.g., 60 percent shade), growth rate and productivity may be high—perhaps too high since rapid development can result in roots that have less desirable commercial appearance (i.e., they look “cultivated”).

Similarly, the soil’s specific physical and chemical attributes associated with wild ginseng growth in Pennsylvania can vary considerably. Research on wild ginseng populations throughout Pennsylvania has revealed that the plant thrives on a variety of soil types. However, soils that appear most conducive to ginseng husbandry are loamy and high in organic matter. Soil fertility is generally very low and the pH can vary considerably (e.g., from 4.0 to 7.0) even on the same forest site. Perhaps the most important research finding (corroborated by research elsewhere in North America) is that high calcium levels of 3,000 pounds or more per acre appear to be especially important for supporting ginseng survival and productivity. The level of soil calcium on potential planting sites can be determined through soil testing or by examining the trees and plants on forestlands and choosing sites where calcium-loving trees and plants are found in abundance (discussed below).

Often the best locations for establishing American ginseng plantings or gardens will be in terrain with a northern and/or eastern aspect. Aspect refers to the compass direction toward which a given topographic feature

(e.g., hill or mountainside) is oriented. Aspect largely determines the duration and intensity of sunlight exposure, and these in turn dictate temperature and moisture regimes in an area. In Pennsylvania, a north- or east-facing hill or mountainside will generally be cooler and moister than a south- or west-facing one since the latter receives more direct sun. Variations are common, such as when a mountainside faces south yet a drainage cutting through it contains northern/eastern-oriented microaspects. These “pockets” can be excellent locations for establishing ginseng plantings even though the overall aspect of the area is not correct. Generally, such microaspects are recognizable because they differ in vegetation from the surrounding areas.

One of the most convenient and reliable methods for locating favorable ginseng habitats is looking for so-called *indicator species*, which are trees and plants that tend to grow in association with ginseng on forested sites. Table 1 gives the different trees, shrubs, herbs, and ferns that are often associated with ginseng in Pennsylvania—both in the wild and where successful introductions have been made. This information is drawn from field research conducted around the state over the past decade, as well as from grower and collector experiences. It is important to recognize that both overstory and understory indicators are important in evaluating a potential growing site. Choosing a location based solely on one (e.g., trees) or the other (e.g., herbs) is far less reliable. Because a number of these trees and plants can also indicate high soil calcium levels, and calcium appears to be important for successful ginseng husbandry on forestlands, it is preferable to give priority to these calcium-loving species when choosing a site for planting.

Table 1. Common plant associates (“indicators”) in Pennsylvania (and the region) that can be useful in identifying forest locations suitable for ginseng planting and cultivation.

- Because common names vary, the scientific name is given in parentheses.
- This is not an exhaustive list. There are many others that are either regionally important or difficult to identify that are not included.
- Items with an asterisk (*) were found by the authors of this publication to be especially useful in a study of wild Pennsylvania ginseng habitat (published in 2013). These species in particular tend to indicate not only good habitat in terms of light and moisture but also frequently high calcium content in the soil, which is believed to be beneficial for American ginseng growth and survival.
- It is important to identify areas where species in each category (trees, shrubs and herbs) co-occur rather than choosing a site based on the presence of any single species. For example, select sites that have American basswood in the canopy, with maple-leaf viburnum and Indian-turnip in the understory.

Trees	Shrubs	Herbs	Ferns
American basswood (<i>Tilia americana</i>)*	Blackhaw (<i>Viburnum prunifolium</i>)	Black cohosh (<i>Actaea racemosa</i>)*	Christmas (<i>Polystichum acrostichoides</i>)
American elm (<i>Ulmus americana</i>)	Maple-leaf viburnum (<i>Viburnum acerifolium</i>)*	Bloodroot (<i>Sanguinaria canadensis</i>)*	Maidenhair (<i>Adiantum pedatum</i>)*
Black walnut (<i>Juglans nigra</i>)	Red elderberry (<i>Sambucus racemosa</i>)	Blue cohosh (<i>Caulophyllum thalictroides</i>)	Rattlesnake fern aka “sang pointer” (<i>Botrypus virginianus</i>)*
Northern red oak (<i>Quercus rubra</i>)	Spicebush (<i>Lindera benzoin</i>)	False Solomon’s-seal (<i>Maianthemum racemosum</i>)	
Pignut hickory (<i>Carya glabra</i>)	Witch-hazel (<i>Hamamelis virginiana</i>)	Indian-turnip (<i>Arisaema triphyllum</i>)*	
Slippery elm (<i>Ulmus rubra</i>)		Solomon’s-seal (<i>Polygonatum</i> spp.)	
Sugar maple (<i>Acer saccharum</i>)*		Stoneroot (<i>Collinsonia canadensis</i>)	
Tulip-poplar (<i>Liriodendron tulipifera</i>)*		Trillium (<i>Trillium erectum</i> and/or <i>grandiflorum</i>)*	
White ash (<i>Fraxinus americana</i>)*		White baneberry (<i>Actaea pachypoda</i>)*	
White oak (<i>Quercus alba</i>)		Wild ginger (<i>Asarum canadense</i>)*	
		Wild yam (<i>Dioscorea villosa</i>)	

Keep in mind that while the use of indicator species is helpful, the specific plants used to identify favorable growing sites for ginseng will vary somewhat from region to region across the state. It is recommended that you experiment in a number of locations on your forestland to discover favorable areas and reduce the possibility of failure due to placing “all your eggs in one basket.”

Ginseng Propagation

The planting of ginseng seed on Pennsylvania forestlands has been a common practice for at least a century; as a result, whether a given plant is truly “wild” is always open to question and speculation. Nevertheless, there are genetic considerations to keep in mind when commercial seed (purchased seed that originates from a nursery or farm—produced at a location distant from the planting site) is used for planting efforts.

Although there may be no obvious immediate benefit, those who practice ginseng husbandry on forestlands should strive to use or maintain Pennsylvania genetic stock. The loss of “native” local genetic strains of ginseng is a concern similar to the loss of so-called “heirloom” varieties of vegetables. Whenever possible, local ginseng genetics should be conserved for future generations. Where wild plants or populations already occur, it is best to use these pre-existing plants for growing stock rather than introducing commercial sources into the area. Conserving local wild ginseng strains can be as easy as replanting berries and seeds each year; it need not involve any elaborate seed-saving methods. Cross-breeding following the introduction of “nonlocal” genes could have adverse consequences such as the loss of any adaptive genetic characteristics present in local populations (e.g., disease resistance). Where there are no preexisting plants, and therefore “commercial” stock is the only option, you should

seek out local or regional nurseries or farms. From a practical standpoint, the planting of locally or regionally sourced stock may prove more successful since it is generally going to be better adapted to the regional climate. However, if you do not already have ginseng present on your forestlands, and there is no source of native planting stock available in your area (as is often the case), commercial seed from a distant supplier may be the only choice and is acceptable for getting started in ginseng husbandry.

Ginseng may be grown or propagated from seed, from transplants grown from seed, or, less commonly, from root division (i.e., dividing the “neck”). The simplest and most economical method is propagation from seed since it requires less time, labor, and cost than root division and the results are more predictable.

Whether the seed originates from a local forestland or a distant supplier, ginseng seed requires stratification before it will successfully germinate. Seed stratification in ginseng means that the seed is exposed to alternating periods of cold and warm temperatures over twelve to sixteen months in a manner that replicates seasonal temperature patterns (i.e., winter chill and summer warmth in particular). Most commercial seed suppliers sell only stratified seeds, eliminating the need to stratify; however, collected seed must either be planted immediately or stratified if planting is to be delayed for an extended period. Perhaps the most important thing to remember in either case is that ginseng seed must never dry out; it needs to be kept moist (not wet) at all times or viability is reduced (i.e., the embryo in the seed will die). A rule of thumb is that you should be able to pick up a small handful of seeds and squeeze them gently in your fist, then open your hand and drop them. If they stick to your hand, then they are probably a little too wet for longer-term

storage and you should let them air-dry a little. The goal is to keep them from drying out entirely, but not keep them so moist that they rot. Often the perfect moisture level can be accomplished by placing a little piece of moistened moss in the storage bag with the seeds. If you see any water pooling in the bottom of the storage bag, the seeds are being kept too moist.

Two- or three-year-old ginseng transplants, or rootlets, are grown from seed by commercial suppliers for transplanting into forestlands. The advantages of using transplants are that they reduce the production time and growers can better anticipate plant spacing. The biggest disadvantage is the higher cost. When compared to the cost of seed, transplants are much more expensive at \$0.50 to \$1.50 per root. If you are just starting out, it may be desirable to purchase a mixture of both seed and transplant materials in order for you to realize the advantages of using transplants without incurring large initial investment costs. Whether purchased or just relocated from existing plants in your forest, any transplanting should be done in late summer or fall, when the bud is set on the roots for next year’s growth. This will minimize any shock to the transplants.

A third method for propagating ginseng is to divide the root or rhizome. Ginseng collectors have often propagated plants by separating the rhizome, or “neck,” from an existing root and replanting it. While this method is not entirely reliable, research has demonstrated that vegetative propagation by root division is indeed successful much of the time. The largest obstacle to the broad use of this method is a federal requirement that the neck be retained on root sold to buyers because it is used to age the root. Also, because root age is important with respect to its market value, an intact

root is also favored by buyers. Thus, while propagation by root division is appropriate for some purposes, such as increasing numbers of genetically identical plants for seed production, it is not recommended if your sole objective is to produce root that is legally and economically acceptable.

Approaches to Ginseng Forest Farming

Two approaches are generally followed in ginseng husbandry and forest farming: (1) the woods-cultivated approach and (2) the wild-simulated approach.

The woods-cultivated approach generally requires more labor and time because it involves more intensive production techniques, such as the use of raised beds, fertilizers, and pesticides. The wild-simulated approach follows a less intensive strategy that may involve nothing more than planting seed in suitable locations. Depending on grower objectives, both approaches can be useful in forest farming. Moreover, the distinction between these two approaches is one of convenience; your approach may involve elements of both.

Woods-Cultivated Ginseng

The woods-cultivated approach takes advantage of the natural forest ecosystem for shade and microclimate, but it also modifies understory site conditions to provide a more favorable habitat for plant establishment and management. This approach usually involves more investment in equipment, materials, time, and labor than the wild-simulated approach. A common component of the woods-cultivated approach is the use of raised growing beds. Raised beds allow for concentrated plantings around which establishment and maintenance activities are centered. The woods-cultivated approach is often used to establish plantings that provide a source of seed or transplants for wild-simulated stocking efforts.

Before creating raised beds, it is wise to consider the suitability of the terrain for such improvements, especially if you plan to use farm or garden equipment. For example, beds should not be situated on slopes that would compromise safety or ecological integrity (e.g., the potential for soil erosion). Similarly, areas where many tree roots or large rocks occur at the soil surface are difficult for intensive cultivation since they can create difficult and hazardous conditions for the use of mechanical equipment.

A simple way to create a raised bed is to till or dig an area slightly larger than the desired bed width and use the outside soil to build up or hill the center. For instance, to create a raised bed with a desired width of four feet, you would till or dig an area six to eight feet wide and use the outer one or two feet, respectively, of loosened soil to mound the center of the four-foot-wide bed. The additional soil is necessary to create a rounded or domed bed, which will allow the bed to shed excess moisture more readily during a rainstorm. Ginseng plants are extremely susceptible to a number of fungal diseases where moisture or wet conditions persist.

Once the bed is shaped, the soil can be amended as desired with limestone (for pH adjustment), gypsum (to supply calcium), or organic amendments such as well-rotted sawdust or compost. If a fertilizer is applied, it should be a low-analysis fertilizer (e.g., 5-5-5) since heavy fertilization can encourage disease problems as well as a final product that looks “cultivated.”

Raised forest beds can be seeded at any density, but roughly one or two years after seeding, plants should be thinned to one or two plants per square foot or less. If seed production is the primary goal, wider spacing is desirable to encourage plant produc-

tivity and simplify berry harvesting. If transplant production is the goal, seedlings should be maintained in dense plantings until about the third or fourth year, at which time they can be transplanted. It is not advisable to maintain dense plantings beyond the fourth year of growth because fungal diseases almost always begin to appear by this time. Nor is it advisable to transplant first-year seedlings since they are often too fragile to endure the stress of handling and relocation.

The woods-cultivated system's primary advantages are that plant and root growth are hastened and cultivation is convenient and organized. The main disadvantages of this approach are its high incidence of disease problems and greater investments in materials and labor. Also note that if your goal is root production, as opposed to seed or transplant production, the ultimate return on the investment depends largely on the ability to manage the crop so that the final root appears “wild” rather than “cultivated.” Woods-cultivated root can be discerned on the market by experienced buyers, and its value can be well below wild or wild-simulated product value.

Wild-Simulated Ginseng

The wild-simulated approach to growing ginseng involves thinly sowing seeds in the forest and leaving them to grow with minimal human influence. In this approach, the goal is to establish and maintain “wild” populations. This approach is the easiest and least expensive to follow, but it is also the slowest and perhaps most unpredictable. Depending on your preference and motivation, this approach may involve little care or maintenance, and the chief investment will be seed for planting. With wild-simulated plantings, the importance of forest-site selection cannot be overstated.

Once a promising location has been identified, some of the vegetation from the forest area(s) may be thinned before planting. The objective is to remove any potentially interfering plants without adversely altering the site's quality and ecology. You may choose to remove any undesirable overstory or understory trees and shrubs to keep with the overall forest management goals and plans. Exercise caution because removing too much of the overstory or understory may expose the location to too much sunlight. It may also increase germination and competition from other plants. Any thinning should seek to maintain about 65 to 70 percent shade in the vicinity of ginseng plantings.

Little or no soil preparation is required in the wild-simulated approach, nor are there raised beds. Instead, seeds are sown by (1) individually hand-planting by pushing seeds about one inch deep into the mineral soil; (2) brushing aside leaf litter with a rake, scattering seed, and then replacing the leaf litter; and/or (3) using a specialized seed planter such as a seed spreader or "seed stick" (hand-held, jab-type planter with an attached hopper). If done properly, all of these methods create minimal disturbance to the forest environment and can easily be accomplished without much expense. Methods that require more individual care per seed (such as hand-planting) will require more time, but this care also tends to improve seed survival and establishment success.

Ideally, seed planting is done in autumn just before leaf fall; however, planting can extend from late summer through early winter. Although the plants should ultimately be grown at a low-density spacing to reduce the potential for disease problems, the initial seeding rate can be relatively high since many seedlings will be lost over time.

For example, while the final spacing may be roughly one plant per one to three square feet, the initial seeding rate may be as much as four seeds per square foot. In general, you should expect to lose one seedling per year for the first three years following establishment. Where seedling survival is great, plants are moved or thinned as desired.

After planting, wild-simulated plantings are left to "Mother Nature" and thinning and culling generally occur naturally. Any weeds or undesirable plants that appear after planting can be thinned periodically to reduce competition, but avoid the use of herbicides and fertilizers. Additional seeds and seedlings can be planted, perhaps yearly, to ensure a continuous harvest and replace any seedlings lost to slugs or other pests. On favorable sites, additional seed and seedling recruitment is likely to come from existing plants as they attain reproductive age. Tending these patches by planting berries and seeds will help ensure continuous recruitment and a perpetual harvest.

The wild-simulated approach to growing ginseng has several characteristics that make it especially attractive as a forest-farming venture. First, there is no need to invest large amounts of money or labor. Second, there is a noticeable decline in the incidence of disease in such plantings, thereby virtually eliminating the need for pesticides (an important benefit for those seeking organic certification). Third, the price-per-pound returns for wild-simulated products are generally greater than for woods-cultivated products due to the often "wilder" appearance. Finally, this approach has little or no impact on the forest ecosystem, allowing you to utilize the forest while conserving it at the same time.

The main disadvantages of the wild-simulated approach are the unpredictable results that can come from simply scattering seeds in the

woods and the length of time required to obtain harvestable products (often as long as nine to ten years). However, these challenges practically ensure a strong market for such products and thus a place for the patient forest farmer as a supplier.

Woods-Cultivated versus Wild-Simulated Forest-Farming Methods: Costs and Revenues Compared

Once the decision to grow or husband ginseng on forestlands has been made, the next step is to decide how much time and money to invest. No matter what your depth of interest is, you should begin by considering the following questions:

1. What other income opportunities or activities could I carry out in my forest?
2. Which approach will I use to produce ginseng?
3. Will I make money?
4. Do I have the time, patience, and labor to do it?

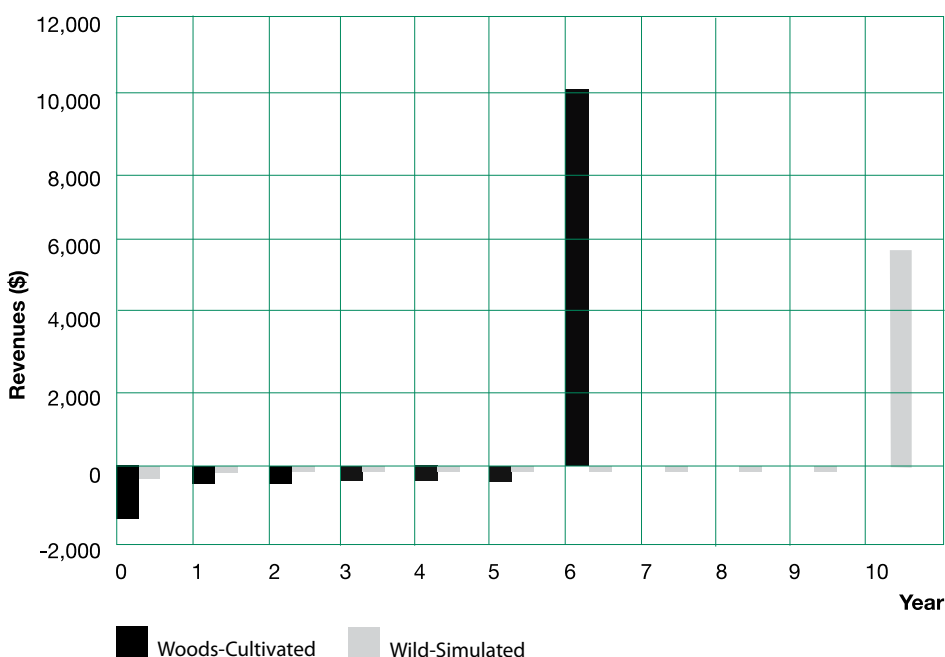
As a forest-farming venture, ginseng husbandry can be pursued as a hobby or a serious income generator. However, before starting a ginseng venture, it is important to gather information about current costs, expected yields and revenues, and other factors that affect profitability. An *enterprise budget* is a simple financial tool to determine profitability. The costs are subtracted from the expected revenues to provide an idea of profitability.

In developing enterprise budgets, revenues occur in future years; thus, their actual value may differ considerably from that of expected revenues. To account for this uncertainty, you can adjust numbers, such as yields or prices, and see how these changes affect profitability. In terms of costs,

Table 2. Comparison of ginseng production methods on one-tenth of an acre.

	Woods-Cultivated	Wild-Simulated
Number of Years to Harvest	5	10
Costs		
Seed	\$225	\$225
Labor	\$2,300	\$1,500
Equipment/Materials	\$500	\$100
Total Costs	\$3,025	\$1,925
Revenues		
Yield (pounds)	72	18
Price per Pound	\$150	\$350
Total	\$10,800	\$6,300
Net Revenue	\$7,775	\$4,375
Discounted Net Revenue at 4% Interest Rate	\$6,390	\$2,956

Figure 2. Hypothetical cash flow for the two ginseng production methods.



you should include the time and labor required to prepare the site, plant seeds, maintain the crop, harvest the plants, and dry the harvested product.

The following section provides example enterprise budgets for woods-cultivated and wild-simulated ginseng husbandry approaches on a one-tenth-acre (approximately 4,350 square feet) tract of forestland. Table 2 gives comparative costs and revenues for the two husbandry approaches, while Figure 2 is a cash-flow diagram illustrating costs and revenues for both approaches to ginseng forest farming.

Woods-Cultivated Ginseng (One-Tenth Acre, or 4,350 Square Feet) Cost Assumptions

Seed: \$225
 One-tenth of an acre (about 4,350 square feet) allows for nine 5-by-80-foot (width by length) raised beds. Using this arrangement, each bed covers 400 square feet of planting space for a total planting space of 3,600 feet. The remainder of the area (about 750 square feet) is used as walkways and to accommodate tree roots, watercourses, boulders, and so forth.

Woods-cultivated ginseng grown from seed will require at least five years to yield a marketable product. You might want to plant four seeds per square foot, which would require 1,600 seeds per bed (4 seeds × 400 square feet). An average germination rate is 75 percent, meaning that approximately three out of every four seeds should become established.

For a one-tenth-acre plot, 1,600 seeds per bed multiplied by nine beds requires 14,400 seeds. One pound of ginseng seed contains 6,500 seeds on average and can be purchased at an average price of \$90 (range: \$45 to \$130). You will need 2.5 pounds of seed to adequately plant all nine beds for a total seed cost of \$225.

Labor: \$2,300

Site preparation and planting will take an estimated 60 hours on a one-tenth-acre forested bed. Maintenance is estimated at 25 hours per year or 125 hours for five years. In the final year, harvesting and preparing the roots for sale (cleaning and drying) is estimated at 45 hours. Assuming labor costs \$10 per hour over five years for a total of 230 hours, the total labor costs are \$2,300.

Equipment and Materials: \$500

Equipment such as a rake, digging tools, backpack sprayer, and drying equipment are fixed costs as one-time investments and do not increase with acres planted. A rototiller is another fixed-cost item (\$700 to \$1,500), which is optional and not included in this example. Materials such as pesticides (e.g., fungicides) may also change the investment because they vary by the amount of land planted and the extent of problems. For this example, costs are estimated at \$500.

Total Costs = \$3,025

Yield and Revenue Assumptions

Revenue: \$7,775 (\$6,390 After Discounting)

In this example using the woods-cultivated approach to growing ginseng, an estimated 100 ginseng roots are contained in a dried pound. Assuming survival of two (out of four) seeds initially planted per square foot, yields are estimated at 800 roots per bed. Using these same assumptions for all nine beds, 7,200 roots would be harvested on one-tenth of an acre for a total of 72 dry pounds. Current prices for woods-cultivated ginseng range from \$25 to \$300 per pound depending on how “wild” the final product looks. Using an average price of \$150 per pound, the gross revenues over a five-year period are \$10,800. Subtracting total costs of \$3,025 leaves a net revenue of \$7,775 per one-tenth acre. This translates to \$77,750 per acre.

The process of determining the value of an investment over time is referred to as *cost-benefit analysis*. In this process, future values are discounted to the present and provide what is referred to as net present value, which is simply the discounted sum of all costs and revenues incurred over the life of the investment. All future costs and future revenues are discounted to the present by a formula that involves selecting an acceptable interest rate (as is done with a savings account or stock investment). Because costs and revenues from growing ginseng will be realized in the future (five years or more), you should keep in mind that a dollar today is worth more than a dollar in future years. This is simply due to the time value of money and is why we have interest rates. Think about a bank account and the interest you might earn on \$100. If the interest rate is 4 percent, you will have \$104 in one year. The same process works with investing in ginseng. Future revenues need to account for the value of money over time. In this example, the future value of the investment in woods-cultivated ginseng without discounting is \$7,775 on a one-tenth-acre plot. After applying a discount rate of 4 percent, however, the net present value over five years of this investment is actually lowered to \$6,390 (see Table 2). The venture is still profitable, but not quite as profitable when a time factor is included.

Using a larger interest rate, such as 7 percent, would make the investment even less profitable. The question is, how much more profitable is it compared with alternative investments, such as putting money in a bank account and earning a 4 percent return, or when compared with the wild-simulated approach to ginseng husbandry? While this deliberation may not be important if ginseng husbandry is simply a hobby, it is something that should be seriously considered when pursuing ginseng husbandry as an investment venture.

Wild-Simulated Ginseng (One-Tenth Acre, or 4,350 Square Feet)

Cost Assumptions

Seed: \$225

One-tenth of an acre (about 4,350 square feet) provides 3,600 feet of planting space after allowing for many tree roots, watercourses, boulders, debris, and so forth in the area. Raised beds are not used in this approach to growing ginseng, so seed will be scattered throughout the plot.

Wild-simulated ginseng will require at least eight to ten years to yield a marketable product. You might plant four seeds per square foot for a requirement of 14,400 seeds, with the understanding that one plant per square foot should be the eventual spacing (to avoid disease and other problems resulting from overcrowding). This assumes an average germination rate of 75 percent, meaning that approximately three out of every four seeds should germinate and become established. You will need 2.5 pounds of seed to adequately plant the area; therefore, the final cost for seed is \$225.

Labor: \$1,600

Preparing the site and planting the ginseng will take an estimated ten hours. Inspection and maintenance will be minimal, but biweekly checks over the ten years will still take about 100 hours of total time. Harvesting, cleaning, and drying the roots will take about fifty hours. This is a slightly longer time estimate for processing the harvested products than for the woods-cultivated approach because wild-simulated roots require more effort to free them from tree roots, rocks, heavy soil, and so on. Therefore, the labor costs at \$10 per hour will total \$1,600 for this approach.

Equipment and Materials: \$100

Again, equipment such as a rake, digging tools, and drying equipment are fixed costs as one-time investments

and do not increase with acres planted. Total costs are estimated at \$100 since little equipment is required for preparation of wild-simulated planting areas. Additionally, the major costs incurred with woods-cultivated culture is due to the likelihood of disease (fungal) problems and the associated need for a backpack sprayer, fungicides, and protective clothing. With the wild-simulated budget projected here, there will be no use of fungicides.

Total Costs = \$1,925

Yield and Revenue Assumptions

Revenue: \$4,375 (\$2,956 After Discounting)

Roots grown via the wild-simulated approach are generally smaller than with the woods-cultivated approach, with about 200 roots contained in one dried pound. The 3,600 roots harvested total 18 pounds. Current prices for wild-simulated ginseng range from \$200 to \$500 per pound. (Note: Prices of more than \$500 are not uncommon for older, high-quality roots.) Using an average price of \$350 per pound, the value of the crop in ten years is \$6,300 per one-tenth acre. Subtracting costs (\$1,925) leaves a profit of \$4,375 on one-tenth of an acre. This would be equivalent to over \$43,750 for an acre.

Using the same discounting procedure mentioned in the woods-cultivated example, and assuming a 4 percent discount rate over ten years, net present value of the investment on one-tenth acre is \$2,956. By comparing the two systems after discounting, the woods-cultivated method would be more profitable, even though the wild-simulated approach is more inexpensive and the product is worth more per pound. This is primarily because of the longer growing period for wild-simulated ginseng, which requires ten years for the investment to mature and demands labor and attention (albeit less) during this additional time. Keep in mind that the price paid for wild-simulated ginseng may increase over the growing period as it has done historically. Consequently, such increases may outpace any discount rate you have set, and the investment could be more profitable than anticipated.

The Economics of Ginseng Husbandry: The Bottom Line

Comparing the two systems shows clear differences in costs and revenue (see Table 2). Woods-cultivated ginseng requires more labor for making beds, greater attention to maintenance,

and increased equipment/material costs. However, the woods-cultivated approach receives revenue at around five years as opposed to at least ten years for wild-simulated ginseng, and yields are generally much greater than for wild-simulated ginseng. Although you may do the work yourself, it is important to consider labor costs. Obviously, not including the labor costs makes both investments substantially more attractive, especially the woods-cultivated approach.

Wild-simulated ginseng offers the possibility of turning a fair profit from less investment in labor or money. The trade-off to this approach is that you must generally wait longer (nine to ten years) to harvest. Additionally, yields will generally be lower due to the smaller size and weight of individual roots and less-crowded planting arrangements.

In the enterprise budget developed, revenue was calculated using assumptions about plant spacing and yield. Naturally, yields will vary considerably as a function of individual root weight and plant density (spacing). More roots will be needed per pound as size and weight per root decrease, and vice versa. Similarly, fewer plants in an area, due to wider spacing, will

Table 3. Estimated yield in pounds of American ginseng per one-tenth acre (about 4,350 square feet) resulting from plant spacing and average final root weight.

Average Root Weight, Fresh or Dry (grams)	Plant Spacing (number of plants per square foot)					
	6 inches (2)	12 inches (1)	18 inches (< 1)	24 inches (< 1)	36 inches (< 1)	48 inches (< 1)
	Estimated Yield (pounds)					
1	19.2	9.6	6.4	4.8	3.2	2.4
2	38.4	19.2	12.8	9.6	6.4	4.8
3	57.6	28.8	19.2	14.4	9.6	7.2
4	76.8	38.4	25.6	19.2	12.8	9.6
5	96.0	48.0	32.0	24.0	16.0	12.0
6	115.2	57.6	38.4	28.8	19.2	14.4
7	134.4	67.2	44.8	33.6	22.4	16.8
8	153.6	76.8	51.2	38.4	25.6	19.2
9	172.8	86.4	57.6	43.2	28.8	21.6

One pound = 453.6 grams; one ounce = 28.35 grams.

This table can be used for estimating fresh (green) or dry root weight. Fresh weight loses roughly 70 percent weight upon drying (e.g., a 9-gram fresh root = 2.7 grams dried; 21.6 fresh pounds = 6.5 dried pounds).

also reduce yields. Table 3 is included for estimating yield potential from a one-tenth-acre planting as determined by plant spacing and weight per root. This table can be used to see how such factors will increase or decrease yields—and, thus, revenues.

The example calculations are provided only as a guide to the potential costs and revenue that you might encounter. They do not reflect economies of scale. As the operation increases in size, the costs for certain supplies tend to decrease since quantity discounts begin to apply. Nor do these calculations reflect excessive losses from rodents, slugs, insects, fungal diseases, weeds, and theft. Also note that in terms of revenue, in recent years prices have remained low for woods-cultivated roots that appear similar to field-grown (i.e., cultivated) products. At the same time, prices for wild-simulated roots that closely resemble “wild” products continue to climb. Thus, the best investment prospects may actually be found with the wild-simulated approach, even though the discounted returns are slightly lower when compared with the woods-cultivated approach.

Forest farmers selling to domestic consumers in farmers’ markets and shops may want to develop value-added ginseng products. Dried ginseng slices soaked in honey or maple syrup, jellies, ginseng beer, and candy are examples of marketable products. Growers can also make teas and tinctures (i.e., alcohol extracts) with low-grade roots (damaged or cultivated in appearance) in order to make the most of their investment. There are also “niche” markets, particularly in urban areas, for fresh root.

Obtaining organic certification may increase market access, but the cost of certification should be weighed against any perceived price gains. Generally,

no premium is paid for organically certified roots within the international wholesale ginseng market. On the other hand, many domestic herbalists and consumers seek organically grown ginseng root and care much less about “wild” appearances. Therefore, organic certification might be a good option for domestic market growers.

Ginseng Husbandry for Planting Stock

Once ginseng plantings are established and begin to reach reproductive stages, they can be tended for seed production and the seeds used for planting. Picking and stratifying your own seed saves money that would otherwise have been required to buy additional planting stock and will therefore enhance profitability. If producing your own seed is not important or cost effective, then plants can be *deflowered* (the flower heads pinched off) as they begin to bloom. This tends to favor root weight gain.

Many growers create beds specifically for seed production and encourage or push plants to yield large numbers of berries and seeds. In general, plants can be encouraged to produce seed by (1) amending the soil with a low-analysis fertilizer (e.g., 5-5-5), (2) thinning the forest canopy layers to allow more light penetration (e.g., 50 to 60 percent shade), and (3) watering or irrigating plants, especially during fruit set. These activities can also encourage disease problems, so a balance must be struck between pushing plants and establishing conditions in which plants thrive and are fruitful. Site selection is very important in this regard.

Regardless of how plants are grown, they will need to be protected from seed predators such as turkeys, deer, chipmunks, and mice. All of these animals can clean out a patch or garden in days or even hours. How you elect to protect a seed crop will depend on

many factors, including the scale of the problem, the location of the garden, and time and money needed to do so. For example, a simple deterrent for deer and turkey is made by piling up brush around plants or beds; alternatively, a fence could be erected.

Managing ginseng plantings for seed production can generate annual income if the forest farm is large enough and seeds are harvested and processed following commercial standards. Most planting stock currently comes from large-scale, artificial-shade operations situated in the Midwest and southern Canada. Forest nurseries offering regionally or locally sourced stock (i.e., native to an area) are in demand, and growers of such stock usually have no trouble selling seed and transplants.

Table 4 can be used to estimate seed yield from a forest farm geared toward nursery production. In this table, seed yield is determined by the number of plants in a garden, bed, or area and the number of seeds produced per plant (according to whether berries are single or double seeded). For example, in a garden of 300 plants, 200 plants yielding 20 double-seed berries and 100 plants yielding 15 single-seed berries each would be expected to provide a total seed yield of 9,500 (8,000 + 1,500)—the equivalent of about 1.5 pounds of seed. You can use this table to estimate revenue that could be generated from seed sales by determining the expected number of pounds of seed (seed yield divided by number of seed per pound) and then the economic return (pounds of seed multiplied by price per pound).

Marketing and Legal Considerations

Good digging, drying, and handling practices are essential to maximizing product quality; the price received

can be greatly reduced by improper or hasty postharvest practices. Care should be taken when digging and cleaning roots to keep them intact. It is not necessary to scrub roots; generally, a good rinsing will suffice. Freshly rinsed root should be dried in a warm location (70 to 95°F), with plenty of air circulation and low humidity. Roots dried too quickly will have a dark-brown stain inside, which is undesirable. If dried too slowly, mold may form on the product. The process of drying roots can take a week or more to complete. Look for roots to break cleanly when thoroughly dried.

It is extremely important that ginseng roots be carefully dug and prepared for market. In particular, roots should be intact, without any breakages or trimming of the fine root hairs or neck. Too often, ginseng buyers

report seeing roots that are hastily dug, dried, and brought to market. If you are unsure of what you are doing or how to properly dig and prepare roots for market, you should visit one of the licensed ginseng buyers in Pennsylvania or the region to discuss proper techniques and appearances. Many ginseng buyers also buy “green” or undried root to protect the value of roots to prevent them from being improperly dried; you should also inquire about this possibility if you do not have a good method for drying roots or are unsure of how to do so. It is extremely disappointing when five or more years are spent producing ginseng for market and the value of the product is lowered at the time of sale due to hasty or improper digging and drying practices. Take the time to educate yourself and do it correctly!

There is an established market for forest-grown ginseng, and there is little problem finding a willing buyer. Many buyers aggressively seek out producers through newspaper and magazine ad placements. In this market, it is important for ginseng producers to earn a fair price from their efforts. Because ginseng gains monetary value with age, it can be kept in the ground until market conditions are acceptable or income is needed. Prices will fluctuate annually, but by keeping abreast of the market, growers can wait until prices are satisfactory before making a sale. Current price information can be obtained from ginseng buyers throughout Pennsylvania and the region. You should always check on market conditions before digging your roots to determine the best year and time to sell.

Table 4. American ginseng seed yields resulting from variation in number of plants and number of berries (and seeds per berry) produced per plant.

Number of Plants	Berry Yield per Plant*											
	Single-Seeded Berries						Double-Seeded Berries					
	5	10	15	20	25	50	5	10	15	20	25	50
25	125	250	375	500	625	1,250	250	500	750	1,000	1,250	2,500
50	250	500	750	1000	1,250	2,500	500	1,000	1,500	2,000	2,500	5,000
100	500	1,000	1,500	2,000	2,500	5,000	1,000	2,000	3,000	4,000	5,000	10,000
200	1,000	2,000	3,000	4,000	5,000	10,000	2,000	4,000	6,000	8,000	10,000	20,000
350	1,750	3,500	5,250	7,000	8,750	17,500	3,500	7,000	10,500	14,000	17,500	35,000
500	2,500	5,000	7,500	10,000	12,500	25,000	5,000	10,000	15,000	20,000	25,000	50,000
650	3,250	6,500	9,750	13,000	16,250	32,500	6,500	13,000	19,500	26,000	32,500	65,000
800	4,000	8,000	12,000	16,000	20,000	40,000	8,000	16,000	24,000	32,000	40,000	80,000
1,000	5,000	10,000	15,000	20,000	25,000	50,000	10,000	20,000	30,000	40,000	50,000	100,000

*Ginseng may produce three-seeded berries, but single- and double-seeded are more common. One pound of American ginseng seed contains 5,000 to 8,000 seeds (average = 6,500). One pound of American ginseng seed (stratified) typically sells for \$50 to \$125.

Ginseng buyers use many characteristics to determine the value of ginseng root. The main features assessed are root size, weight, shape, color, and age. Experienced buyers pay less for “cultivated-looking” roots, no matter where they are grown (field or forest). Intensive husbandry practices result in plants that grow faster and more luxuriously, yielding a product that is “cultivated” in appearance. Unlike many conventional horticultural crops, the highest return from ginseng root is based not on its size but on its “wild” characteristics.

American ginseng is currently listed in Appendix II of the Convention on International Trade in Endangered Species of Flora and Fauna (CITES). This listing requires that the U.S. Fish and Wildlife Service (USFWS) monitor ginseng trade and ensure such exports do not compromise ginseng’s existence in areas where it is naturally found. At the state level, the Pennsylvania Department of Conservation and Natural Resources (DCNR) is responsible for gathering data on ginseng harvest and trade. To sell ginseng in Pennsylvania, growers should locate an individual or business that has a state-granted vulnerable plant license or obtain a license themselves. A list of currently registered ginseng buyers is available from DCNR upon request or via the Internet (web address provided at the end of this publication). Growers need to recognize that it is unlawful to transport ginseng across state boundaries for sale elsewhere without first obtaining a vulnerable plant license; this regulation has been established in order to better track the state’s ginseng resource, and violations can bring stiff state and federal penalties.

There are also regulations that govern ginseng collection at the state level, and growers should familiarize themselves with these since they can impact harvesting and marketing plans. Ginseng growers can find the most

complete and up-to-date information on Pennsylvania ginseng management efforts and regulations via the DCNR’s vulnerable plant website (see web address at the end of this publication). Readers are also encouraged to obtain the companion publication to this, “Nontimber Forest Products from Pennsylvania 1: American Ginseng,” as it reviews and explains Pennsylvania ginseng regulations in considerable detail (see “For Further Information” section on page 15).

Finally, beginning in 2014, a forest-based grower verification program was launched in Pennsylvania and adjacent states via a partnership between Penn State, the DCNR, and a third-party certifier, Pennsylvania Certified Organic (PCO). This program, called “Forest Grown Verified,” is fee based (i.e., there is a cost to being in the program) but voluntary and confidential. Growers may find a number of benefits from enrolling in this program, including crop documentation, price premiums, product branding, and better access to domestic markets. The demand for branded sustainable sources of forest-grown ginseng is expected to grow as concerns over ginseng sustainability and quality are increasingly recognized in the marketplace among buyers and consumers (much like organic certification has become widely recognized during the past ten years. To request further information about this program, contact PCO (see “For Further Information” section on page 15).

Conclusion

American ginseng has been harvested for at least two centuries in Pennsylvania, and people continue to seek wild plants for sale and personal use. Forest farming is one approach to ginseng stewardship and conserva-

tion. Although it is not a “get-rich-quick” or risk-free crop to grow, its income-generating potential provides an opportunity for Pennsylvania’s forestland owners. Ginseng husbandry is an activity that can help conserve a native plant resource while giving forestland owners a chance to become better acquainted with Pennsylvania’s rich biological heritage.

Forest farming of ginseng, as part of an integrated forest management strategy, can supplement forest revenues from other sources (e.g., timber) and offset costs such as annual property taxes. As the American and European public become more aware of ginseng and its health benefits, the demand for wild-simulated and woods-cultivated ginseng should increase in an already strong market driven by Asian consumption. Root from eastern North American forestlands is especially sought after since these areas have soils and a climate that are particularly well suited to growing high-quality ginseng.

For Further Information

The following websites provide information related to American ginseng and ginseng husbandry:

- Pennsylvania Certified Organic (PCO) “PA Forest Grown” Ginseng Verification Program: www.paorganic.org/forestgrown 106 School Street, Suite 201 Spring Mills, PA 16875; phone: 814-422-0251

Contact PCO for further information about their ginseng grower crop verification and/or organic certification programs

- Pennsylvania Department of Conservation and Natural Resources (DCNR): www.dcnr.state.pa.us/forestry/plants/vulnerableplants/ginseng/index.htm

Contains information specific to ginseng in Pennsylvania, including regulations, news, and buyer contact information

- U.S. Fish and Wildlife Service (US FWS): www.fws.gov/international/plants/american-ginseng.html

Contains information about ginseng in North America, including CITES participation requirements

The following publications are sources of additional information related to ginseng husbandry:

- Burkhardt, E. P., and M. G. Jacobson. “Nontimber Forest Products from Pennsylvania 1: American Ginseng.” University Park: Penn State Extension, 2004.
- Persons, W. S., and J. M. Davis. *Growing and Marketing Ginseng, Goldenseal, and Other Woodland Medicinals*. Fairview, N.C.: Bright Mountain Books, 2005.
- Pritts, K. D. *Ginseng: How to Find, Grow, and Use America’s Forest Gold*. 2nd ed. Mechanicsburg, Pa.: Stackpole Books, 2010.

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