

Voluntary Report – Voluntary - Public Distribution

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Report Name: American Ginseng Under Review for Food Ingredient Use

Country: China - People's Republic of

Post: Beijing

Report Category: Agricultural Situation, MISC-Commodity, Market Development Reports

Prepared By: FAS China Staff, Alexandra Baych

Approved By: Adam Branson

Report Highlights:

Several Chinese provinces are experimenting with the utilization of nine Chinese medicines, including American ginseng (*Panax quinquefolius*), for use in food products. The pilot programs are open through November 2022. At this time, American ginseng is regulated as a traditional medicinal product. If American ginseng is approved for use in food products, this could create additional opportunity for both imported product and spur domestic production.

Pilot program for American Ginseng

On January 6, 2020, the National Health Commission (NHC) and State Administration of Market Regulation (SAMR) jointly published a notice to regulate nine substances, including American ginseng (*Panax quinquefolius*), as both a Chinese medicine and food (see the joint notice in Chinese [here](#)). Other ginsengs, such as Chinese ginseng (*Panax ginseng* or *Panax notoginseng*), were not included in the notice and these are not being considered for possible Chinese medicine and food use at this point. According to the joint notice, SAMR required interested provinces to submit pilot programs that specify which of the nine substances will be included in the program in their territory along with risk monitoring plans and proposed regulatory measures.

SAMR has approved, reportedly, the pilot programs submitted by Guangdong (see GAIN report [CH2022-0021](#)), Shandong, and other provinces that allow American ginseng to be processed (i.e., grinding, slicing, crushing, roasting, boiling, soaking in alcohol, etc.) and used in alcoholic or non-alcoholic beverages (including powdered beverages), confectionary goods, tea and tea related products, instant foods, and apiary products.

A list of companies approved to produce these food products is not available publicly. However, provincial governments established strict requirements for companies participating in the pilot programs. For example, the Shandong government requires that food manufacturers participating in the pilot program own the farms producing the ginseng used in the pilot program or source ginseng from registered farms to ensure that the raw materials comply with national standards (see Shandong province notice on the pilot program in Chinese [here](#)).

The pilot programs in Guangdong and Shandong province are scheduled to end in November 2022, after which point no additional piloted food products can be produced (Note: products made prior to the end date can be sold until their period of expiry). Based on the results of the pilot programs, NHC and SAMR will decide whether to officially incorporate these nine substances into *the Catalogue of Substances That Are Traditionally Both Food and Chinese Herbal Medicines*. These pilot programs have the potential to expand opportunity for American ginseng in China however it remains unclear whether this opportunity will result in increased import demand or greater domestic production in China.

According to China's Food Safety Law (2015) (see GAIN report [CH15016](#)) "no medicine may be added to any produced or distributed food, unless the added substance is traditionally considered as both a food and Chinese medicine."

Production of American Ginseng in China

The production of American ginseng in China is estimated at around 12,000 metric tons (MT) in 2021, according to official media reports. The primary production area in Weihai of Shandong province (coastal China), which reportedly produced 7,500-8,000 MT in 2021, accounts for more than 60 percent of the country's total production of American ginseng. Another major production area of American ginseng is Jingyu county in Jilin province (northeastern China). However, both bearing acreage and production in Jilin is declining due to forest preservation programs, as reported by local media. Other minor producing areas include Liuba county and Longxian county in Shaanxi province (central China) (see Chart 1, below). China's planted area of American ginseng is currently estimated at nearly 4,000 hectares and the acreage is expected to expand if the government approves the use of American ginseng in food. American ginseng is one of several varieties of ginseng grown in China. For example, Chinese

ginseng is produced primarily in northeast provinces with a production volume that industry sources report is ten times greater than the production of American ginseng.

Chart 1. China: American Ginseng Production Areas



Marketing and Utilization of American Ginseng in China

In China, American ginseng is considered a “mild” ginseng variety. Chinese consumers believe that consuming American ginseng on a regular basis can support immune system health. Currently, American ginseng is regulated as a traditional Chinese medicine. American ginseng is typically sold as whole roots or sliced pieces to consumers for direct consumption or to be used in tea, alcohol, soup, and Chinese cuisine. American ginseng is also extracted for further purposes such as compound Chinese medicines, capsules, and specialty drinks.

For more information about the marketing and opportunities for U.S.-origin American ginseng in China, please refer to the [Ginseng Board of Wisconsin](#).

Trade of American and Other Ginsengs

In 2021, China imported nearly 1,903 MT of American ginseng (HTS 12112011), an increase of 137 percent on a yearly basis. Industry sources report that American ginseng is mainly imported into Guangdong, Zhejiang, and Shandong provinces. Canada is the single largest supplier of American ginseng to China, holding nearly 90 percent of the total market share. China’s imports from the United States, the other major supplier of American ginseng, were stable over the last few years (see Table 1 and 2, below). China also imports small quantities of Korean ginseng from South Korea (HTS 12112091, 12112099).

American ginseng from the United States currently faces retaliatory Section 232 and Section 301 tariffs (see Table 3, below). Importers may apply, however, for exclusions from Section 301 retaliatory tariffs. Importers report the Section 301 tariff exclusion process is working smoothly.

Policy Affecting Exports of American Ginseng to China (Tariffs, MRLs, Facility Registration)

On March 2, 2020, China launched a tariff exclusion process for individual importers. Through this process importers can apply for Section 301 retaliatory tariff exclusions on specific consignments of U.S. products (refer to GAIN report [CH2020-0017](#)). For more information on China's retaliatory tariff and tariff exclusions, please see GAIN report [CH2020-0106](#).

China published updated Maximum Residue Limits for Pesticides in Foods ([CH2021-0099](#)) that was implemented on September 3, 2021. The standard specifies pesticide limits for American ginseng.

American ginseng is not a product covered by GACC Decree 248 facility registration as the item is not considered a food product currently.

Table 1. China: Import of American Ginseng by Volume

Country	Unit: Ton					
	2016	2017	2018	2019	2020	2021
World	671	932	790	1544	846	1977
Canada	474	719	581	1304	647	1686
United States	153	160	158	193	156	217

Source: China Customs

Table 2. China: Import of American Ginseng by Value

Country	Unit: Thousand USD					
	2016	2017	2018	2019	2020	2021
World	38,150	52,615	51,137	76,425	52,237	87,674
Canada	17,533	24,786	19,692	41,721	19,456	41,427
United States	14,584	13,723	14,139	14,921	10,799	14,237

Source: China Customs

Table 3. China: Tariffs on U.S. Origin American Ginseng Product

HTS Code	Description	MFN* Rate	232	301	Total Applied Tariff (without exclusion)
	Implementation date	Jan 1, 2022	Apr 2, 2018	Feb 14, 2020	Since Feb 14, 2020
12112011**	American Ginseng	7.5%	15%	10.0%	32.5%

Note: * Tentatively tariffs effective on January 1, 2022.

** As of January 2022, China's HS code for American ginseng changed to 12112011 from 12112010.

Attachments:

No Attachments.