

Division of Marketing
Agricultural Development and Diversification (ADD) Program
1997 Grant Final Report

Grant Number 12084

Grant Title Creating Wisconsin Ginseng Awareness and a Distribution Network
 into the American Market Place

Amount Awarded \$24,000.00

Name Cindy Kurtzweil

Organization Wisconsin's Best Ginseng Corp.
 Mosinee

E-Mail

WEB

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Pure Milled Ginseng Root



No Additives, No Fillers

May 18, 1998

Department of Agriculture
Mike Bandli
P.O. Box 8911
Madison, WI. 53708-8911

Dear Mike,

I pulled from my file a copy of the "Final Report" and reviewed its contents, and decided to add and change some of it. Hence, the reason why I'm a few days longer in returning the report to you.

I decided to make the report into two parts to give more impact toward our company, its cause, and to show the need for the Wisconsin ginseng industry to improve and how my company is playing a roll in this.

I am also submitting precious copies of articles, advertisements ect., along to emphasis our hard work. I hope some of this additional information might even help with WBG receiving a 1998 grant consideration.

Call anytime, with questions or comments.

Sincerely,

Cindy Kurtzweil
Wisconsin's Best Ginseng

Grown and Processed in Wisconsin
"Ginseng Capital of the World"

★

Wisconsin's Best Ginseng chose to submit its final report in two parts:

- 1) To show the need to associate the depressed Wisconsin ginseng industry and the booming American ginseng interest.
- 2) By answering guideline questions to prove of projects success.

PART ONE

Ginseng, once boom crop, outgrows demand

Wisconsin Daily Herald

Marathon County, the top milk-producing county in the state, may be better known for different cultural product — ginseng.

The county is the main U.S. source of the native plant that is esteemed in Asian for the purported restorative, cure-all properties of its roots.

While not as economically vital as dairy, make no mistake about it: ginseng has been a cash cow for decades.

It is not anymore, growers say. Producers who were getting more than \$50 per pound some years ago in the 1980s are now receiving less than \$15.

"We're getting less than the cost of production," says Doug Kage, a third-generation ginseng

farmer from the town of Stettin. "How long do you think that can go on?"

What caused the crash? Although each of the more than 1,100 growers in Marathon County could probably come up with a slightly different reason, there is a general consensus: oversupply.

Ginseng was first cultivated in Marathon County by the Fromm family, which tended to closely guard its secrets concerning methods of production. As the methods leaked out over the years to other families, production rose, but demand remained high. In the 1970s, production mushroomed as farmers realized they could make a bundle if they put in a few acres of ginseng and nursed it through the three to four years needed to mature.

Many failed because of the crop's difficulty to cultivate, but others became wealthy. At \$40 a pound growers could raise \$40,000 to \$120,000 worth of ginseng on a single acre.

Demand outpaced supply into the 1990s. In 1994, Marathon County growers sold the most valuable ginseng crop ever for more than \$100 million.

Then came the crash, and the 1997 crop was not even expected to sell for half that. The growth of huge ginseng-growing corporations in British Columbia is blamed by many Marathon County growers. From nothing a few years ago, the British Columbia crop is expected to soon equal Wisconsin's.

This Wisconsin newspaper article clearly sums up the mistaken mindset of many about reasons why the Wisconsin ginseng industry is depressed, declining and failing.

It says, general consensus is "OVERSUPPLY".

Category Closeup

Top selling herbs in the U.S. through the mass market channel

Herb	Total sales in millions	% increase vs. one year ago
Ginseng	\$78.0	14.0%
Garlic	67.6	1.70
Gingko biloba	66.0	140.0
Echinacea	14.0	16.9
St. John's Wort	13.5	1,1449.0
Saw palmetto	13.3	423.0
Echinacea/goldenseal	13.1	164.0
Pycnogenol/grape seed	9.0	162.0
Goldenseal	6.6	33.1
Evening primrose	6.4	49.0

Source: Information Resources Inc. for the 52-week period ended Sept. 7, 1997 (as supplied by Pharmavite Corp)

Meanwhile, this next article from one of the largest trade publications says ginseng was the most popular selling herb in America in 1997 with estimated sales of \$78 million up 14 % over year 1996. And with Wisconsin ginseng making up near none of these sales.

Top Selling Herb Supplements in Mass Market - 1997

Total Sales U.S. Dollars	12-Week Period Ending 12/28/97	52 Week Period Ending 12/28/97
Total Herbol Supplements	\$141,227,680	\$441,502,560
Ginkgo	29,425,772	90,197,288
Ginseng	20,057,994	86,048,080
Garlic	17,870,164	71,474,288
Echinacea/Goldenseal*	19,114,476	49,189,576
St. John's Wort**	28,081,530	47,774,792
Saw Palmetto	5,789,359	18,381,592
Grapeseed	2,479,788	9,965,772
Evening Primrose	1,789,713	7,299,353
Cranberry	1,739,309	6,182,210
Valerian	1,763,096	6,104,450
Bilberry	1,296,568	4,555,723
Milk Thistle	923,081	3,037,672
Kava Kava	933,182	2,950,132

* Reflects sales of echinacea and goldenseal as individual products as well as the combination
 ** St. John's wort sales reflect the May 5 Newsweek article and June 27 ABC "20/20" program which featured the herb as a treatment for depression

Source: IRI Scanner Data: FDM (Food, Drug, Mass Market combined) Total U.S., 52 weeks and 12 weeks ending 12/28/97

And this article says, ginseng sold over 20 million dollars worth in a 12 week period alone in the American Mass market in 1997, the exact sales focus area of Wisconsin's Best Ginseng.

So let us not further debate the ridiculous notion of "OVERSUPPLY" of Wisconsin ginseng but rather let us focus on the correct initiative to create alternative markets for the sale of Wisconsin ginseng. Supply and demand, Wisconsin has done a good job producing ginseng supply but the industry and our state has done a poor job sustaining or improving the demand for our supply of ginseng!

PART TWO

1. Describe the original intent of the grant project.

Project was titled "Creating Wisconsin Ginseng Awareness and a Distribution Network into the American Market Place".

The intent of grant was to assist one company in persuing creating additional markets for Wisconsin ginseng, specifically the American market.

With using the established product line of Wisconsin's Best Ginseng (WBG) has already created was the driving vehicle to carry out the success of the grant.

In 1995, the product line of WBG was formed by the Kurtzweil family. These products contain 100% all natural Wisconsin ginseng and were distributed across America as an alternative ginseng product choice.

- * How was it projected to benefit Wisconsin agriculture?

1. because there is no alternative market but foreign for Wisconsin root, the growers have sold their crop for near lowest per pound prices in history the last three years.

2. 1400 down to 1207 registered growers in 1997. By expanding / creating markets for Wisconsin ginseng, this will increase Wisconsin ginseng demand and thus

increase the value of Wisconsin root for the registered growers and agriculture of Wisconsin.

2. Describe the work conducted in this project.

Not only was the established product line of WBG used but also the WBG corporate business plan and WBG management was used as a guide to accomplish the success of this project.

WBG has penetrated the American market with its products in 1995, but was far from reaching its goals of national distribution it was capable of reaching. Since this project, WBG has gained national store distribution in two major drug and mass merchandise chains in America. Total store numbers carrying WBG is now near 4,000.

To have been able to accomplish sales at corporate levels as done was extremely hard and timely. WBG had after gaining all store distribution inside the state of Wisconsin on our own and after many initial contact with corporate buyers, WBG hired professional sales representatives familiar with each store chain and together with their knowledge of the sales system and WBG management of the product line and comparison aspects of such was the winning sales pitch to gain store chains buying WBG.

Meetings, marketing, PR, advertising, scan data, reports, efficient bookkeeping, adequate warehouse facilities, shipping capabilities, boxing, computers, and sufficient product for demand was all just some of the work that was planned during the growth stage of WBG.

* How did the grant funds assist you in this project?

The consultant services needed by WBG needed to be increased both by appointment time and cost grant money helped. The need for additional supplies and material such as office, shipping boxes and additional product labels. WBG's biggest overhead is the processing to get finished product. Since increased product was needed, \$10,000 was allocated from grant dollars for this cost. WBG made a switch to a new larger scale accounting service to help make sure all quarterly statements were accurate to show company profitability.

* What successes did you achieve with this grant project?

WBG successfully distributed product to the Walgreen store chain with store numbers on a national level of over 2,300. This huge step ment for the first time Wisconsin ginseng could be sold across America in additon to foreign ginseng.

(See WBG full page advertisement in the Walgreen ad profile viewed by thousands)

3. Describe the public outreach efforts of this project.

WBG has the never ending battle of advertising and marketing for the product line. These efforts greatly increased with getting the Walgreen chain. Between October 1, 1997 and March 1, 1998 nearly all of the initial inventory Walgreen ordered was sold. So consumer response was great. WBG will continue to push other stores chains to carry our product and we will continue to market and advertise its availability.

Many newspaper articles, magazine features, live radio interviews and direct advertisements were printed.

* What literature or educational material were produced through this project?

Other than reprints of existing educational brochures new sale presentation folders were created. Also, WBG submitted samples of its product as well as other competitive products to an independent lab for quality comparison testing. Results of that test are included with this final report.

4. Describe the results of this project.

This project was to assist WBG in exposing Wisconsin ginseng products into the American market place. This project for the first time in Wisconsin ginseng history allowed an all natural Wisconsin ginseng product to be sold into a new market.

As long as Wisconsin farmers choose to grow ginseng new and different markets must be developed and explored for the demand of that Wisconsin commodity to stay in need and to further allow Wisconsin farmers to be profitable.

* Did the grant project results meet your original expectation?

Yes. We set a goal for an increase of 2,000 stores year end 1997, and we increased by nearly 3,000. We wanted to have press releases tell of our presence into the market place and exposure about who our company was and what products we offered and why Wisconsin ginseng is the superior ginseng. And we accomplished all this.

* What new agricultural products, technologies or production methods were developed through this project?

No new product development, technologies developed either just new marketing ideas.

* What did you learn from your grant project?

How important an accurate budget is. Some of our expenses were lower than expected and some were higher. And how important time is in achieving goals that are down on paper.

- * How will the grant results affect your business?

By gaining the Walgreen store chain it increased our yearly sales by one third so the project affected our business alot. It is now alittle easier to expose our products and Wisconsin ginseng because we can say, "available at Walgreens," in our advertisements.

- * How will this project benefit the Wisconsin family farm?

Hundreds of farms in Marathon county have acres of ginseng growing to help the family supplement its yearly income. However, with the extremely low market price offered to these families the past 5 years growing expenses are barely covered, so not much is left to cushion the family.

With the growers not having alternative markets to negotiate better price for their ginseng not much can be done to turn around increasing income for growers. WBG cannot buy all Wisconsin ginseng but each year of its existance we have bought more and more.

- * What impact will this grant project have on the future of Wisconsin agriculture?

When nearly 200 growers of Wisconsin ginseng choosing to stop ginseng growing due to impossible profit margins, this definitely has impact of Wisconsin agriculture and the states revenue. WBG's management believes it's efforts will probably go unrecognized for some time. However, at least for the first time someone has proof that more demand could be created for Wisconsin ginseng if the Wisconsin ginseng story could be told and a product was offered to consumers.

5. How will the Wisconsin agriculture industry be able to use the information from this project?

I know that ginseng production to the Ag industry is known to be significant, but I don't know if the Ag department is fully aware of the reasons behind the lowering market value for Wisconsin ginseng. Therer is a lot of theory and debate for the decline in market price for roots from Wisconsin. Many growers believe as does WBG management that one major issue has been the lack of initiative for anyone, The Wisconsin Ginseng Board included, to succeed in creation of additional markets other than the 100 year old China and Korean market.

With an estimated 2.8 million Americans using ginseng daily, certainly someone should be bringing attention the fact that the "World's Best Ginseng" is grown right here in America. And, certainly these same consumers should be offered a product containing this "Wisconsin" ginseng. This grant project successfully has demonstrated this has been done and response has been positive.

Client: Wisconsin's Best Ginseng
 2451 W. State 153
 Mosinee, WI 54455
 Attention: Cindy Kurtzweil

Sample: Six (6) samples of capsules were received at Hauser, Inc. on August 18, 1997. The samples were labeled as:

1. A-Wisconsin's Best Ginseng-Wisconsin Ginseng.
2. B-Ginsana-Korean Ginseng.
3. C-Nature's Herbs-Korean Ginseng.
4. D- Nature's Way-Wild Siberian Ginseng.
5. E- Ginseng Gold (GNC) - American White Ginseng.

Method: The determination of ginsenosides in the capsules was requested. The average weight of the capsule contents was determined. The contents were homogenized and analyzed by HPLC according to Hauser Part Number 4129.002 modified. Quantification was performed versus the following 7 ginsenoside reference materials purchased from Indofine Chemical Co: Rb₁, Rg₁, Re, Rc, Rb₂, Rf, and Rd. Results are listed in Table 1.

Results: Table 1. Concentration of Ginsenosides in Samples.

Sample ID	Concentration Ginsenosides (mg/capsule)							Total Ginsenosides (mg/capsule)	Ratio Rb ₁ /Rg ₁	Average Capsule Weight (g/cap)
	Rg ₁	Re	Rf	Rb ₁	Rc	Rb ₂	Rd			
A	0.4	2.5	ND	7.8	1.3	0.2	2.3	14.5	14.5	0.487
B	0.2	0.3	0.1	0.6	0.3	0.4	0.2	1.9	3.0	0.483
C	1.1	0.8	0.5	1.8	0.6	0.6	0.2	5.6	1.6	0.449
D	ND	ND	ND	ND	ND	ND	ND	ND	NA	0.423
E	0.5	2.6	ND	5.9	1.2	0.4	2.0	12.6	11.8	0.504

This report applies only to the sample, or samples, investigated and is not necessarily indicative of the quality or condition of apparently identical or similar products. As a mutual protection to clients, the public and these Laboratories, this report is submitted and accepted for the exclusive use of the client to whom it is addressed and upon the condition that it is not to be used, in whole or in part, in any advertising or publicity matter without prior written authorization from Hauser Laboratories. This report may be copied only in its entirety.





WORLD'S BEST GINSENG GROWS IN WISCONSIN WHERE "WISCONSIN'S BEST GINSENG" IS A FAMILY AFFAIR

Test Shows WBG Has Highest Rate Of Key Ingredient: Ginsenoside

Mosinee, Wisconsin — As we approach the new millennium, health conscious consumers are becoming more attentive to proven, natural and wholesome ways to maintain wellness and maximize fitness. Homeopathic, herbal and non-drug regimens are moving to the mainstream in our society.

People are increasingly focused of maintaining good health, rather than simply treating illness, and millions of graying "Baby Boomers" are seeking products that will help them maintain energy, endurance and overall good health. Ginseng has come to the fore as one of the most popular herbal supplements of our time.

Wisconsin's Best Ginseng Corporation, owned and operated by the third generation of the ginseng-growing Kurtzweil family, is bringing the finest of premium Wisconsin ginseng to North America's informed consumer. The family's ginseng fields are located in Mosinee Wisconsin, at the heart of the richest ginseng growing soil in the world.

While ginseng has always been associated with the Orient, it is a little known fact that the world's most effective ginseng is grown right in America's beautiful state of Wisconsin, where the soil and weather conditions are perfect for growing the highly desired "cool" ginseng root.

One of the best kept secrets in North America is that the finest ginseng grows in Wisconsin. However, ginseng experts in Asia know the secret well and more than 90 percent, or 2 million pounds annually, of highly desirable "cool" Wisconsin ginseng, with its relaxing qualities, is exported to the Orient every year.

Cynthia Kurtzweil, president of Wisconsin's Best Ginseng, says, "In 1995, we introduced our ginseng to health food stores in Wisconsin and other areas. Following a word-of-mouth ground swell of interest generated by satisfied consumers, the company nationally introduced Wisconsin's Best Ginseng when Walgreens, America's largest and fastest growing drugstore chain, requested our product be made available to its customers throughout America.

Kurtzweil added, "Wisconsin's Best Ginseng takes great generational pride to be the best ginseng offered by the nation's number one drugstore chain. Keeping consumer confidence by offering the world's finest ginseng at affordable prices is an important part of our corporate and family mission."

Widely recognized for its positive contribution to health, from building virility in men to lessening the impact of menopause in women, to generally contributing to an anxiety-lessened lifestyle, ginseng has been regarded as a nostrum since the beginning of recorded history.

Ginseng is harvested as a root and is consumed in many forms, including tea, liquid extracts and caplets, and powdered capsules, such as Wisconsin's Best Ginseng's powdered capsules have no know side effects, are processed from the whole root to maintain natural balance, and are superior, cost effective alternative to other national brands.

Wisconsin's Best Ginseng specializes in offering 100 percent pure Wisconsin Ginseng, containing no fillers and with the highest desired ginsenoside active ingredient level of any ginseng on the market. The elegant beige-colored 500-milligram capsules are available in quantities of 60 and 120, which Wisconsin's Best Ginseng proudly and tastefully offers in bottles displaying the American flag, superimposed with an outline of Wisconsin and a beautifully flowering ginseng root.

A recent study showed that Wisconsin's Best Ginseng has the market's highest rate of ginsenoside. Hauser Laboratory Services, the widely-regarded Boulder, Colorado testing firm, examined five ginseng products. Hauser found that Wisconsin's Best Ginseng contained the highest level of ginsenoside at 14.5 mg; with GNC's Ginseng Gold American White Ginseng in second place with 12.6 mg; Nature's Herbs Korean Ginseng was third with 5.6 mg; Ginsana Korean Ginseng was fourth with 1.9 mg of ginsenoside and Nature's Way Wild Siberian Ginseng was fifth.

The market for ginseng has grown dramatically in recent years, with some two million American's now supplementing their daily diets with ginseng. The growth reflects an awareness that ginseng has been used for centuries by those who feel it alleviates stress, increases energy and endurance and enhances well being.

Natural herbs have been a part of the human tradition since ancient times. Currently, modern science is continually verifying the benefits that have been recognized about natural botanicals for untold centuries.

For information about Wisconsin's Best Ginseng, Contact Shirley Kurtzweil at Wisconsin's Best Ginseng, 2451 W. State Hwy. 153, Mosinee, WI 54455, or call toll free to (888)-440-4516.

Boosting the BEST

Is Wisconsin ginseng the world's best?

The Kurtzwell family thinks it is, and they've taken their belief to market.

Tom and Shirley Kurtzwell, Mosinee, Wis., quit dairy farming seven years ago and began raising ginseng as a part-time enterprise. In the last two years, prices plummeted from \$35 to \$6 a pound, supposedly due to overproduction.

Shirley and her daughter-in-law, Cindy, thought Wisconsin ginseng deserved more recognition — and higher prices — and arranged to have their ginseng processed. They then marketed the capsules under the brand of — naturally — "Wisconsin's Best Ginseng."

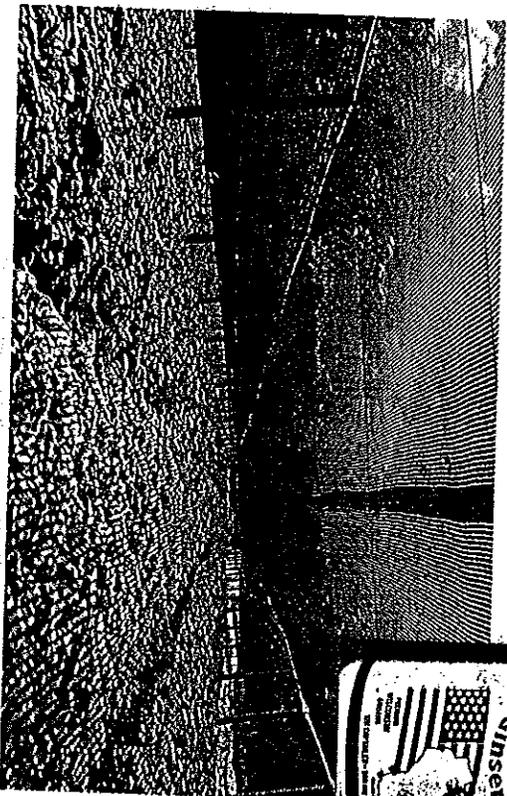
Their persistence is paying off. After promoting it at farmers' markets,

health shows and other events, Shopko agreed to distribute their product. It will be in Walgreen stores this fall.

They process about 3,000 lbs. of ginseng annually, most of it from their fields. That's only a fraction of the 2 million pounds raised by 1,400 growers in the state, but

it's a promising start.

"It makes more sense to promote Wisconsin ginseng here than to export it abroad — often for low prices — and to then sell 'inferior' imported ginseng," Shirley Kurtzwell says.



Ginseng grown under shade.

INSIDE WISCONSIN AG continued on page 8

videos.
The Kovacs Avian Education Center, 555 Clay St., Chilton, Wis., is open Thursday, Friday and Saturday from 9:00 a.m. to 5:00 p.m. Tours can be arranged by appointment. Call (414) 849-2221 or (800) 669-9580.

HealthCare DISTRIBUTOR

February 1998

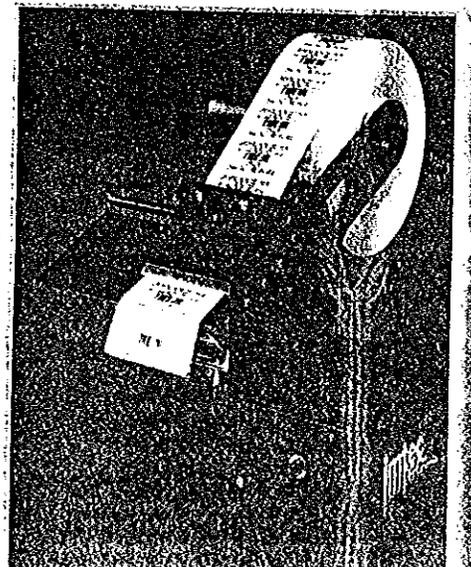
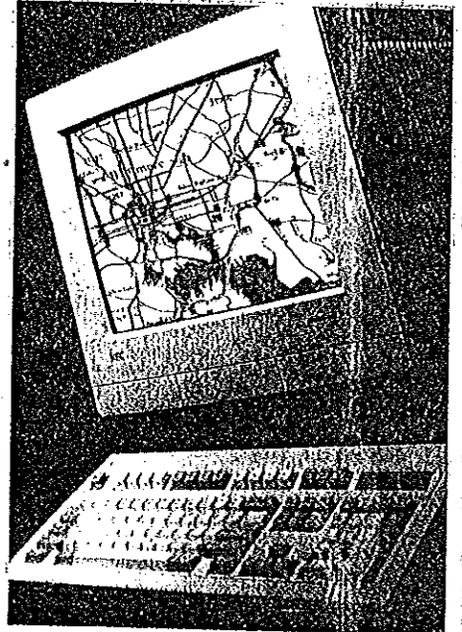
The Industry's Multi-Market Information Resource

In This Issue:

New Options in Distribution Technology & Equipment

Also Inside:

An Update
on Herbs
and Alternative
Therapies



Business Opportunities Abound

Herbals and Alternate Therapies

BY SONIA WEISS

Americans are often noted for a lack of consensus on many issues. But there's one thing on which an estimated 60 million of the U.S. population agrees: there might be some validity in using herbs and other alternative therapies to treat what ails them.

For whatever reason—dissatisfaction with conventional allopathic medicine or a simple desire to try something different—



In just two years, this product—produced by a family-owned business—went from local distribution to national distribution by the Walgreens chain.

more and more Americans are turning to one or more treatment options that comprise the broad range of therapies known as alternative, complementary, or integrative medicine.

In what would become a landmark study reported in 1993 by the *New England Journal of Medicine*, one third of the 1,500 people interviewed stated they had sought care from a practitioner of alternative medicine, accessing therapies ranging from macrobiotics, relaxation and feedback to herbal medicine, reflexology and acupuncture. What were long considered counterculture treatments had quietly entered mainstream society, much to the amazement of mainstream medicine.

"What the *New England Journal* study said surprised all of us," said Constance Grauds, R.Ph., founder of the San Rafael, Calif.-based Association of Natural Medicine Pharmacists. "Whether we believed in such therapies or not, it became clear that they—the American people—were using them. And the 'they' really is 'us.' Conventional, mainstream, middle-class Americans were and are the ones buying

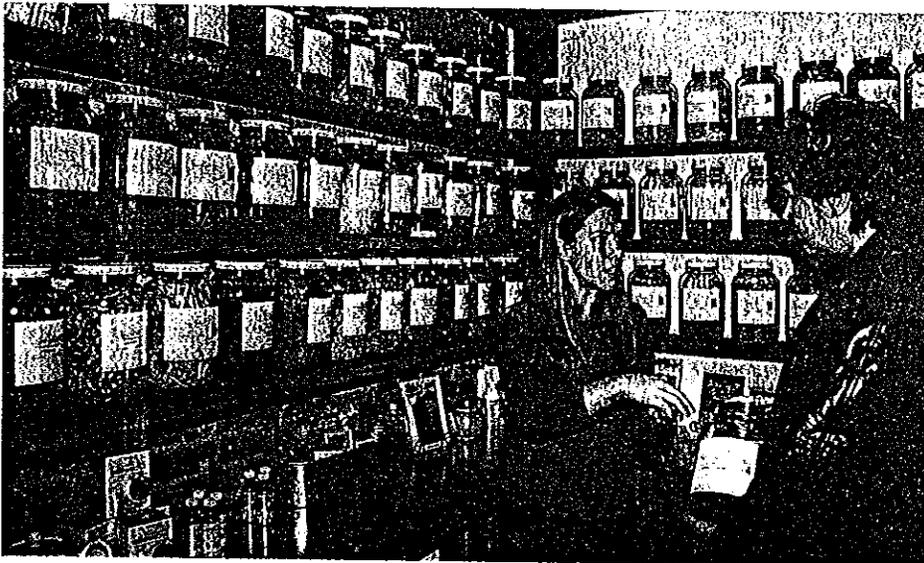
these remedies."

Current estimates on annual sales of dietary supplements, which include herbal products, vitamins, minerals and amino acids, range from \$6 billion to almost \$10 billion. In 1995, the industry research firm Frost & Sullivan placed the U.S. herbal supplement market at nearly \$772 million. Industry projections put sales of herbal supplements at more than \$1.6 billion by 2001.

Once largely the domain of health food stores, products such as St. John's wort, arnica gel and essential oils are steadily gaining shelf space in chain drug stores, independent pharmacies, discount stores and supermarkets.

"We've had about a 30 to 35 percent increase in this area in our stores," said Jon Cunningham, an OTC buyer with Tulsa, Okla.-based May's Drug Stores. "What's driving it is greater public awareness and stronger backing from physicians. They used to say 'go ahead and take them, they won't hurt.' Now they're saying it may do some good."

Therapies such as aromatherapy and homeopathy are making the switch from



Shelley Torgove, left, discusses herbs with this article's author. Torgove is a clinical herbalist and owner of the Apothecary Tinctura in Denver. Her store offers a wide selection of medicinal herbs, organic extracts, and products for bath, body care and aromatherapy. She also conducts classes in herbal medicine.

health food stores as well. An estimated 70 percent of chain drug stores and approximately 3,000 independent pharmacies now carry homeopathic products, ranging from single-dose remedies to combination products formulated to fight common health problems.

"We offered homeopathy products very early on, maybe too early, and we dropped them," said Cunningham. "We now carry about five items from a local company that we're doing well with. And we're looking into more aromatherapy products."

Texarkana, Texas-based Humco, which has offered a line of essential oils to pharmacies for over 40 years, recently added the Blessings Aromatherapy line due to demand from its gift-store customers, some of which are either associated with pharmacies or started out that way.

"We see a growing acceptance of aromatherapy as alternative medicine topics are increasingly being presented in health-care publications and at trade shows," said Suzie Hickey, new-product development manager. "I think the same thing will happen with essential oils as happened with the herbal business. People are discovering there's definitely a difference between (essential oils) and scented candles or potpourri."

Although drugstore sales of natural remedies currently lag behind discount stores and supermarkets, many believe

this soon will change. Consumers have long considered pharmacists as their top choice for health care products and advice. It makes sense that they would turn to their trusted advisors for help in selecting herbal remedies or homeopathic products as well.

"For pharmacists, it creates a role they've been missing," said Rob McCaleb, founder and president of the Herb Research Foundation in Boulder, Colo. "The idea that a pharmacist goes to school and learns so much about being an advisor about drug interactions, and then is relegated to being a pill counter, led to pharmacy being a depressing profession. Now (pharmacists) can advise on products that aren't drugs...now they're finally back in the educational role they've been trained for."

Natural therapies have been around for centuries and are still widely used in other countries besides the United States. In Germany, 40 percent of prescriptions are for botanicals; in the Far East, herbal remedies are a component of complementary healing therapies including acupuncture, massage, dietary intervention, breathing and meditative techniques.

In France, aromatherapy is recognized as a medical specialty. Homeopathy, developed in the 18th century by German physician and professor Samuel Hahnemann, was widely used for many years, both in Europe and the United States.

In the U.S., however, homeopathy and other natural remedies fell out of favor as new drugs created in research laboratories overshadowed compounds made from natural sources.

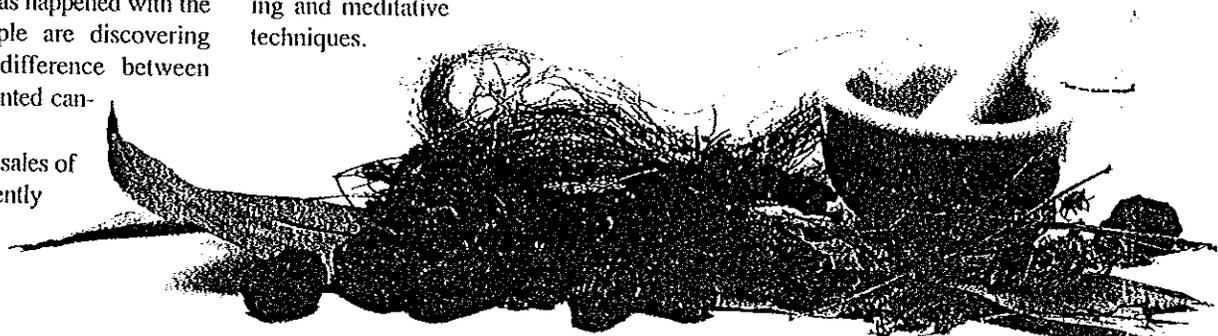
What drives the current trend to natural treatment alternatives is the growing number of consumers interested in prolonging good health—or, if they have a health problem, investigating alternatives to allopathic medicine.

"The demand is definitely consumer-driven," said Eric Stevenson, business director at Warner-Lambert, which recently introduced two products utilizing natural therapies—Halls Zinc Defense and Celestial Seasonings Herbal Comfort, a throat lozenge with echinacea. "There's a stronger desire today to take control of our own health and our own lives."

While interest in natural treatment alternatives has grown steadily over the past 20 years, many point to the passage of the Dietary Supplement Health and Education Act in 1994 as a greater stimulus to the explosion of herbal products and other natural remedies that now flood the market.

"Almost overnight, the regulatory situation in the U.S. regarding these products went from one of the most hostile to one of the best," McCaleb said. "Previously, manufacturers couldn't make even limited claims for their herbal products. It's difficult to put money into selling a product when you can't really promote it. Comfort levels rose significantly when manufacturers were allowed to make the claims now allowed by the law."

See **ALTERNATIVE THERAPIES** on page 16



The 1994 act details a foundation for the regulation of dietary supplements, guaranteeing access to safe and beneficial products and assuring balanced information about their benefits. For the first time, vitamins, minerals, herbs, amino acids and other dietary substances were defined and classified as dietary supplements. Although product labeling can't make drug claims, manufacturers can make statements describing how the product might benefit the user.

What the act doesn't permit is selling these products as drugs, as they are in Germany and some other countries. A different regulatory climate in Germany allows the sale of many of these products as phytomedicines. They are registered for use based on a doctrine of reasonable certainty of safety and efficacy, rather than on absolute proof of such elements as is required in the U.S.

Germany also has an expert commission, known as Kommission E, which develops and publishes monographs on herbal medicines. Over 300 are available, each detailing the name of the drug and its constituents, general properties and therapeutic values, indications for use, contraindications, side effects, interactions with other drugs or agents, dosage details, and administration methods.

For many health care professionals, the lack of a comparable system in the U.S. is a deterrent to wholesale support of such remedies. Whether one will be developed here is anyone's guess. Still, much can be done to lend greater legitimacy to alternative care products.

"I'm amazed there's still no comprehensive American study on echinacea or on other popular herbals," McCaleb said. "That's a gap I think drug companies can fill as they become more involved in marketing these products."

"We're increasingly being asked for this kind of information," said Cynthia Kurtzweil, vice president of Wisconsin's Best Ginseng, a family-owned concern whose ginseng capsules went from being carried by a few local Walgreens stores to national distribution



Kurtzweil



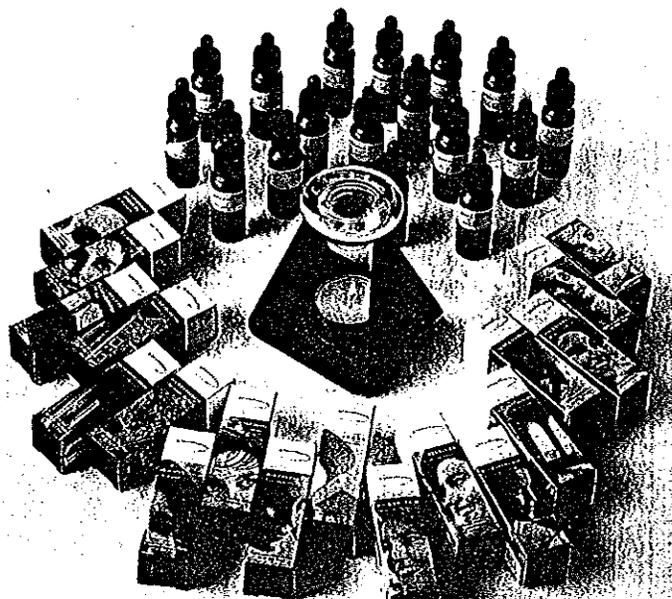
Hall

by the chain in just two years. "We did a study with an independent lab that compared our product to four other well-known brands. Although we didn't have the study when we first talked to Walgreens about national distribution, we're finding it good to have as we continue to do business in this category."

Choosing products from the plethora of new offerings can be confusing to consumers and pharmacy buyers alike, but McCaleb believes everyone will benefit from such competition in the long run.

"We're already starting to see a sort of self-regulation," he said. "Companies are realizing the only way they can survive is by out-scienceing their competition. In the next few years, the companies who cheat their customers by putting out substandard products will be caught by their competitors and exposed."

"We tend to stay with well-known products and lines, such as Pharmavite, which is our main line," said Cunningham. "But when it comes to a popular product like St. John's wort, we might buy it from a number of different companies."



An array of products included in the Blessings aromatherapy line now offered by Humco of Texarkana, Texas.

"We are looking more to products that make standardization claims as consumer awareness grows," he added. "I do see some consolidation in the market as standardization becomes a greater issue."

Greater participation by major pharmaceutical companies seems to be on the horizon as the market continues to evolve. Companies like Warner-Lambert and Boehringer Ingelheim (which markets Ginkoba and Ginsana, two leading ginkgo biloba and ginseng products, through its Pharmaton Natural Health division) provide name recognition and a certain assurance to consumers who might be selecting an herbal product for the first time.

"The big name companies are careful," said Derek Hall, president and COO of Humco Nutritionals in Orem, Utah. "They've been doing their due diligence over the past three years. As big as the market is, we haven't really seen the explosion yet. But the fuse is lit and it will come very soon."

Besides Boehringer Ingelheim, which has established dominance in two specific product segments, no other company has significant name recognition in any one product category. That leaves the battlefield wide open, McCaleb believes.

"Walk up to someone in mid-America and ask them to name the top three brands of echinacea," McCaleb said. "They can't. It's an open market, with lots of potential to establish a name."

"The major pharmaceutical companies know how to do this through marketing and working with physicians and pharmacists," he added. "There always will be consumers who will choose a product from a big drug company they know and trust."

"It won't matter that they can't patent an herb...they'll come out with generic lines if they have to," Hall said. "They're not going to miss out on this market."

Stevenson said they're pleased with Warner-Lambert's launch of its two new products, but was reluctant to comment on the company's future plans in this category.

"We feel our best role is in offering a consistent product with a brand name that people can trust," he said. "We want to understand all the things consumers do to stay healthy and develop products to meet their needs." ■

6 • Shopper Sunday • Sunday, February 15, 1998

World's Best Ginseng In Wisconsin

Walworth County = 32,000 acre.

Wisconsin's Best Ginseng Corporation recently introduced its 500-milligram ginseng capsules, with initial distribution through Walgreens, America's largest and fastest growing drugstore chain. Although it has been growing ginseng for

generations, Wisconsin's Best Ginseng Corporation only introduced its own brand in July of 1995.

Consumers in test markets responded so enthusiastically, the company is now making the product available across the nation. It is estimated that

some 2 million Americans are supplementing their diet with ginseng.

This reflects the increasing awareness that ginseng has been used for centuries by those who believe it alleviates stress, increases energy and enhances well-being. The world's best-kept secret is that the finest pure ginseng grows in Wisconsin.

A recent study showed that Wisconsin has the world's highest ginsenoside rate—the active ingredient in ginseng. Wisconsin annually exports 2 million

pounds to the Orient. Natural herbs have been a part of the human tradition since ancient times.

Medical science is continually discovering the evidence for the variety of benefits that have existed in natural botanicals for hundreds of years.

To help maintain your body's natural balance and strengthen the immune system, go to Walgreens and pick up a bottle of Premium Wisconsin Ginseng today.

For more information about Wisconsin ginseng, call 1-888-840-4516.

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Growing ginseng has been associated with the Orient, but world's best ginseng is grown in Wisconsin. Nearly 2 million pounds annually are exported to the Orient from Wisconsin's Best Ginseng is available at Walgreens drugstore.

RIRTH ANNOU...

Ginseng growers hit big market

By Scott Schultz

Regional Editor

MOSINEE — Tom and Shirley Kurtzweil see a need to increase ginseng markets, and have taken upon themselves to do so.

The Kurtzweils, along with their son and daughter-in-law, Kevin and Cindy Kurtzweil, have worked on marketing "Wisconsin's Best Ginseng" capsules. They have made a dent in the health-product market by distributing their product through Walgreen drug stores.

The Kurtzweils never expected to be leaders in opening U.S. markets to the state ginseng industry when they sold their dairy farm. The Kurtzweils left the dairy business 26 years ago and started working in area factories.

Mr. Kurtzweil's father, Edward, had grown ginseng about 75 years ago, and the couple decided to get back into the ginseng business 7 years ago.

"We got into it just in time to see the bottom fall out of the prices," Mr. Kurtzweil said.

One factor in low ginseng prices has been the lack of American markets, Mr. Kurtzweil said.

"A lot hasn't been done to open markets in the United States," he said.

Instead, the focus of



'Wisconsin's Best'

Shirley and Tom Kurtzweil of Mosinee display some of the "Wisconsin's Best Ginseng" capsules that they're marketing throughout the United States. The ginseng producers can benefit from the sales.

Wisconsin ginseng marketing has been in the Orient, particularly Hong Kong. There, people have used ginseng for medicinal purposes and recognize the quality of Wisconsin-grown ginseng. However, the Oriental market has been invaded by ginseng grown in other parts of the world, and prices paid to Wisconsin growers have dropped as a result.

Some ginseng products have been put on the American market in recent years. But Mrs. Kurtzweil said those products depend on ginseng extract and not the 100 percent pure ginseng that the Kurtzweils package in their capsules.

"People have either used extract or stems of roots in their ginseng capsules, but we decid-

MORE VISIBLE THAN

Market with 'Wisconsin's Best'



Photo by Scott Schultz

the "Wisconsin's Best Ginseng"
The couple hope all Wisconsin

be ginseng-based actually have no ginseng root included, and up to 60 percent of those products contain only traces of ginseng roots.

"Wisconsin's Best Ginseng not only starts with premium Wisconsin ginseng; we use the whole ginseng root and its fibers," Mrs. Kurtzweil said. "This assures that the nutritional value and the highest-quality ginsenoside (ginseng content) rate is contained in the capsule."

While federal food and drug laws prevent them from making health claims about ginseng, the Kurtzweils are telling people to ask Chinese people what they do with the root.

In the Orient, Wisconsin ginseng is said to have a "cooling, relaxing" effect. Unlike the effects of caffeine in coffee, which gives temporary boosts of energy, ginseng users say ginseng has a cumulative energy-boosting effect, Mrs. Kurtzweil said.

Some studies have shown that Wisconsin ginseng may relieve arthritic joints and menopausal hot flashes, decrease blood pressure, promote production of "good" cholesterol and regulate food sugar levels, she added.

Marketing their idea took work. The Kurtzweils found laboratories that could grind and encapsulate their ginseng,

and had other laboratories compare their ginseng and other popular ginseng products.

Part of their marketing effort was the label design, which Cindy and Kevin Kurtzweil developed. It includes an American flag to show that it's an "all-American" product, an outline of Wisconsin to show that it's from the state and a sketch of a ginseng root.

Marketing the product should benefit all Wisconsin growers by increasing the market demand, so not being selfish with a name was important to the family, Mr. Kurtzweil said.

"We want this to be good for all Wisconsin growers," he said. "This should help everybody. We wanted to show everybody that it's American and that it's from Wisconsin."

Getting the product into stores was more difficult than they expected, Mrs. Kurtzweil said. She had sold vacuum cleaners door-to-door, so she felt she would be able to deal with the marketing.

However, there are many marketing twists that stores and companies present when trying to get a product on a shelf, she said.

Mrs. Kurtzweil got the capsules stocked in some convenience stores and some smaller pharmacies. She also talked her way into 10 local Walgreen stores.

"I didn't know how things worked with a store like Walgreen's," she said. "We were hoping the local stores could get us into the national stores."

ed that it would be best to use the best part of the root," Mrs. Kurtzweil said.

Other ginseng products marketed in the United States were made from lower-grade ginseng imported from Korea and Siberia, she added.

Mrs. Kurtzweil said she's seen surveys in which up to 25 percent of products claiming to

you dig a garden of ginseng, you can't ever plant ginseng there again ("or at least until everyone has forgotten where it was planted before," observed Thompson with a droll smile). The crops must be rotated because there are too

where he and Judy were born. "I worked on a truck-loading dock for a few years in Chicago, and that was enough city for me," he claimed. Now he's home for good. The growing demand for ginseng indicates that his future, like his crop, is "made in the shade."—Linda Hilton

Ginseng trade takes off closer to home

Though most Wisconsin ginseng leaves the U.S. for the Orient, that majority does not include the ginseng grown by Kevin Kurtzwell, a Vernon Electric Cooperative lineman, and his wife, Cindy.



Cindy Kurtzwell and her husband, Kevin, market their own ginseng in capsule form under the brand name "Wisconsin's Best Ginseng."

Though the Kurtzwells live in Hillsboro, they plant about 3-1/2 acres of ginseng annually in Mosinee, where their family lives. They soon became fed up with the Oriental buyers. "The Chinese buyers all come to your fields with their laptops, all tied together into one system," claimed Cindy. "They fixed the price, and we told them 'no.'" So Cindy, Kevin, and Kevin's parents, Tom and Shirley Kurtzwell of Mosinee, began to think about marketing their own ginseng—locally.

"Ginseng grown here in Wisconsin is the finest there is," she said. "Doesn't it make sense that we should keep it for Americans?"

While still working as a dental hygienist, Cindy got a licensed laboratory to package the Kurtzwells' ginseng. Then she hit the road, along with her mother-in-law, Shirley, to market their ginseng capsules. Forming a corporation, they sold their first shipment of Wisconsin's Best Ginseng in July 1995.

Cindy, who regularly takes ginseng herself, sings the praises of the herb. "American ginseng—the

'cool' ginseng—can help cool down whatever is bothering you: high blood pressure, arthritic joints, lack of energy, symptoms of menopause and PMS, blood-sugar fluctuations. According to a study by the Korean Ginseng Institute, it can even help alleviate the symptoms of Alzheimer patients."

However, she stressed, ginseng is not a drug. "It's mostly minerals. You need your daily mineral supplement just like you have your vitamin supplement." She said 1,000 mg. a day is recommended.

Today, the Kurtzwells market their Wisconsin's Best Ginseng capsules in 130 Shopko stores and the Walgreen stores in Wisconsin (with the product scheduled to be sold in all the nation's 2,300 Walgreen pharmacies beginning this fall). Their ginseng is also sold in many smaller chains of pharmacies and wholesale drug companies. The Kurtzwells now buys ginseng from other Wisconsin growers, in addition to processing its own.

Cindy and Shirley have quit their jobs to channel all their efforts toward the growing business. Sales are good, and have quadrupled since the business started three years ago. However, as Cindy points out, there are a lot of expenses that come out of that total.

In spite of the long hours, the arduous traveling, and the fact that she misses her old job, Cindy believes it's worth it. "There are two million Americans who take ginseng every day. It gives us a good feeling that we are making it possible for them to purchase Wisconsin ginseng, which is so far superior to the Korean ginseng they used to have to buy. We did it for these two million Americans."

Pure Milled Ginseng Root



No Additives, No Fillers

Facts About Wisconsin's Best Ginseng™

- An independent study conducted by Hauser Laboratory Services in 1997 showed Wisconsin's Best Ginseng™ contains seven times more ginsenosides – the active ingredient in ginseng – per milligram than market leader Ginsana®, and more active ingredient per milligram than the top four leading brands. Ginsana® is made of Korean ginseng and is packaged in Switzerland.
- Founded in 1995, Wisconsin's Best Ginseng™ is owned and operated by the Kurtzweil family.
- Wisconsin's Best Ginseng™ is grown, processed and packaged in Wisconsin.
- Wisconsin's Best Ginseng™ is sold exclusively in the United States and is distributed nationally in Walgreens. It is also distributed regionally to nearly 300 grocery stores through Fleming Distributors, based in LaCrosse, Wisconsin. Traditionally, American-grown ginseng has been exported to Asia and hasn't been available to the U.S. market.
- Wisconsin's Best Ginseng™ comes in 500 mg capsules, with a suggested retail price of \$14.99 for 60 capsules and \$24.99 for 120 capsules.
- The recommended dose for Wisconsin's Best Ginseng™ is only two capsules per day; other brands may require up to eight per day.
- Wisconsin's Best Ginseng™ contains only 100 percent pure ginseng root from Marathon County farms in north central Wisconsin. Other ginseng products frequently contain unnecessary oils, additives and fillers. Market leader Ginsana® contains sunflower oil, gelatin, glycerin, beeswax and chlorophyll. The U.S. government warns that some ginseng extracts contain up to 30 percent alcohol.

Wisconsin: "Ginseng Capital of the World"

- Wisconsin produces 97 percent of the nation's ginseng crop. In 1996, the state grew 1.6 million pounds of ginseng, of which all but 13 percent was exported to Asia. (*Wisconsin Ginseng Growers Association*)
- Approximately 1,100 of the 1,400 ginseng growers in Wisconsin live in Marathon County. (*Wisconsin Ginseng Growers Association*)
- Because of its nutrient-rich soil, Wisconsin is generally considered the world's most optimal climate for growing top-quality ginseng. Asian ginseng fields are thousands of years old and depleted of nutrients, which may explain why Asian countries have been importing prized American ginseng for more than 250 years.

Cindy Kurtzweil, Wisconsin's Best Ginseng™
608/489-2677

Tracy Kurschner, Shandwick
612/832-5000

Grown and Processed in Wisconsin

"Ginseng Capital of the World"

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Pure Milled Ginseng Root



No Additives, No Fillers

The Story Behind Wisconsin's Best Ginseng™

Nearly 80 years ago, Edward Kurtzweil began growing ginseng on his small farm in north central Wisconsin's picturesque Marathon County, selling all of his ginseng to Asian buyers. Edward's three sons followed in their father's footsteps.

One son, Tom, resumed growing ginseng in 1990, in partnership with his wife, Shirley, and their son and daughter-in-law, Kevin and Cindy Kurtzweil. As the family had always done in the past, the Kurtzweils sold their ginseng roots to Asian buyers. But the foursome soon became frustrated, convinced that they weren't getting a fair price for their American ginseng, which is revered by Asian consumers for its properties and strength. Reflecting on their three-generation business, the Kurtzweils wondered why Wisconsin ginseng was not found in U.S. stores.

With only \$1,000 between them, these four Kurtzweils co-founded Wisconsin's Best Ginseng™ corporation in 1995 in order to bring the world's best ginseng to American consumers.

While on vacation that Fourth of July, Shirley rang up the company's first sale at the "Corn Palace" in Mitchell, S.D. With their enthusiasm and energetic sales skills, Shirley and Cindy soon won over new customers at local fairs and farmers markets in Wisconsin and persuaded independent grocery and convenience stores to carry Wisconsin's Best Ginseng™. Just two years after founding their company and without any assistance from outside consultants or marketing firms, Shirley and Cindy secured national distribution in Walgreens stores and regional distribution in ShopKō stores.

Their product is processed and packaged exclusively in Wisconsin and contains 100 percent ginseng root from their own acres, as well as extended Kurtzweil family farms. Wisconsin's Best Ginseng™ is available in 500 mg capsules, with no fillers or additives. The company plans to introduce an alcohol-free ginseng extract soon as well as other products, such as a multivitamin with ginseng, in coming months.

The Kurtzweils are committed to expanding their business in the U.S. marketplace. In early 1998, they teamed up with Shandwick, the world's largest independent public relations firm, to help them achieve their goal of making Wisconsin's Best Ginseng™ the No. 1 brand of ginseng in the nation. The Kurtzweils also teamed up with Wausau, Wis.-based Investment Management Resources to achieve their goal of signing on new investors. Wisconsin's Best Ginseng™ will launch its first major advertising campaign in 1998.

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Pure Milled Ginseng Root



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Co-Founders

Tom and Shirley Kurtzweil, along with their son and daughter-in-law, Kevin and Cindy Kurtzweil, founded Wisconsin's Best Ginseng™ in 1995 in order to bring their revered product to the U.S. marketplace. Until then, these second- and third-generation ginseng growers exported all of their product to Asia, just as virtually all U.S. ginseng growers continue to do.

Cindy and Shirley have spearheaded the family's efforts to establish Wisconsin's Best Ginseng™ in the United States and have made great strides toward their ultimate goal, which is to be the top-selling brand of ginseng nationally. In just two years and without any assistance from outside consultants or marketing firms, Cindy and Shirley secured national distribution of Wisconsin's Best Ginseng™ in Walgreens stores, regional distribution in ShopKo stores and partnerships with numerous other grocery and convenience stores.

Management Team

Cindy Kurtzweil, President

As president of Wisconsin's Best Ginseng™, Cindy Kurtzweil's primary responsibilities include finances, quality assurance and marketing for their rapidly growing business. She provided the muscle behind the consumer launch of Wisconsin's Best Ginseng™, conducting extensive market research and coordinating directly with government agencies such as the USDA and the FDA. In 1996, Kurtzweil ended her decade-long career as a dental hygienist to concentrate full time on the family's growing ginseng business. Kurtzweil and her mother-in-law manage the company's day-to-day operations. Kurtzweil lives with her husband and two children in Hillsboro, Wis.

Shirley Kurtzweil, Vice President

As vice president of Wisconsin's Best Ginseng™, Shirley Kurtzweil's primary responsibilities include sales and distribution for their rapidly growing business. Kurtzweil has been the driving force behind securing new distribution channels, having logged hundreds of hours promoting Wisconsin's Best Ginseng™ to individual retailers. In 1996, Kurtzweil left her full-time job as a display designer for Kolbe & Kolbe Millwork Co. to focus on the family's ginseng business. Kurtzweil has lived in north central Wisconsin's Marathon County all her life, and she and her husband, Tom, spent 15 years as dairy farmers. She also brought her energetic sales skills to Kirby Vacuums, which recognized her as "Salesperson of the Year" in 1979. Kurtzweil and her husband live in Mosinee, Wis., and have four grown children.

Cindy Kurtzweil, Wisconsin's Best Ginseng™
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Ginseng Facts

- Ginseng is the top-selling herb in the United States. National sales totaled more than \$78 million in 1997, climbing 14 percent from the previous year. (*Information Resources Inc.*)
- For thousands of years, ginseng has been revered and taken by people in Asia, where medical science focuses on maintaining health and preventing disease. In Chinese, the name ginseng means man-root or man-essence. The herb's Latin scientific name – Panax – means panacea, or cure-all.
- Ginseng is considered to be an adaptogen, which help normalize body functions.
- Ginseng is widely believed to increase the body's potential to repair itself and strengthen the immune system. It is also widely believed to ease the overload experienced by body organs during stressful periods, increase mental alertness and improve blood circulation.
- Growing ginseng requires patience. First, it takes up to 18 months to germinate the seeds. Then the plants must grow for three to four years before their roots reach commercial size. All the while, growers must protect the flowering plants from sunlight with a shade cloth.
- Once the ginseng plant reaches maturity, the root is harvested and processed into forms such as powder capsules, tea, liquid extracts and liquid capsules. A one-acre crop yields an average of approximately 2,500 pounds of ginseng root.
- The active compounds in ginseng root are called ginsenosides.
- Ginseng's effects on the body accumulate over a long period of time, unlike substances such as caffeine, which act quickly and wear off in a few hours.
- Ginseng is non-toxic and no known side effects are associated with its use. However, experts advise against taking any herb if you are pregnant or nursing, unless under the direction of a medical specialist.
- In 1994, 1,100 tons of American ginseng was harvested in the United States, accounting for 62 percent of the total world output of 1,760 tons. (*U.S. Department of Agriculture*)

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