

Division of Marketing  
Agricultural Development and Diversification (ADD) Program

1998 Grant Final Report

Grant Number 13021

**Grant Title** Marketing Money for Wisconsin Ginseng Industry to Enter Into  
European Markets

**Amount Awarded** \$22,500.00

**Name** Dave Dumke

**Organization** WI Counties Association  
Monona

**E-Mail**

**WEB**

Department Contact: DATCP - Marketing - ADD Grants  
PO Box 8911 Madison, WI 53708-8911  
Tel: (608)224-5136  
<http://datcp.state.wi.us>

**ADD GRANT 13021 FINAL REPORT  
SEPTEMBER 1999**

Original intent of the grant project:

1. The intent of the grant was to increase sales of Wisconsin grown ginseng by opening new markets in Europe using a Native American marketing theme. These new markets would be in addition to the existing Asian market and therefore help increase the price of Wisconsin Ginseng root paid to the farmers
2. The grant was focused on contracting the services of David Dumke and Peter DeSantis from Wisconsin Counties Association and using their expertise and contacts in Germany and Sweden to market a new product "Native Herbs Ginseng". We adjusted the objectives of the grant substantially when Wisconsin Counties Association agreed to donate the services of David Dumke and Peter DeSantis thus freeing \$18,500 to be used for marketing and creation of samples.

Work conducted in this project:

1. The grant funds were instrumental in securing additional funding for this project. On July 14th the Northwest ITBEC (International Trade, Business and Economic Development Council) voted to invest \$1,000 to the Native Herbs Ginseng project and on July 16th the North Central ITBEC voted to invest \$15,000 towards this project. The Lac du Flambeau tribe voted to invest \$15,000 and the Lac Courte Oreilles tribe voted to invest \$15,000. We were able to get the endorsement of the Great Lakes Intertribal Council for Native Herbs Ginseng. We also applied for and received a \$50,000 MIATCO grant
2. We created a new label with a Native American theme, and are in the process of creating marketing material and webpage design to market our product. We created 2000 samples to be used to introduce our product in the European market. We were able to secure agreements with two international companies SEKUNDANTEN AB in Sweden and the Linden Group in Germany to distribute and market our products throughout Europe. These companies agreed to work with us for two reasons. They saw the potential of marketing with a Native American theme in Europe and they saw that we had additional state and federal dollars to use in supporting their marketing efforts. We anticipate sales of 1000 bottles of "Native Herbs" Ginseng in 1999 and from 10,000 to 30,000 bottles in the year 2000.

3. One of our greatest challenges we faced was simply getting our "Native Herbs" Ginseng past German and Swedish customs. Several farmers had sent material to Germany only to have it rejected and sent back. We had several proposals to do the work that would be required to clear customs from German contractors that ranged anywhere from \$70,000 to \$2,500. We decided to work with our German partners and the Wisconsin Department of Agriculture to get past the customs issue. In September of 1999 we were able to send our first shipment of Native Herbs Ginseng samples through customs with no problems. We are now trying to send material from Germany to Sweden to see if we can speed up the registration process in Sweden.
4. Gathering the funds for investment is always a challenge, but the counties and tribes who eventually invested were very supportive of the concept and certainly appreciated the support of the Wisconsin Department of Agriculture through the ADD grant.

#### Public Outreach:

1. A series of updates were given to each of the investing ITBECs at their board meetings and to the Great Lakes Intertribal Council. David Dumke WCA field services representative made presentations on this project to the Northwest Regional Planning Commission in Spooner, the Calumet County Board, the Waupaca County Board, the Ginseng Board of Wisconsin with coverage in local papers. On November 10-11 1999 the Wisconsin Counties Association and the Great Lakes Intertribal Council will hold the first conference in Lac du Flambeau on "County-Tribal Partnerships". Wisconsin Counties Association will make a presentation to the conference on the "Native Herbs" project. We have invited several major newspapers to this historic event.

#### Results:

1. We exceeded our expectations of this grant. When we began, we had no idea of the funding levels or partners that we would need to make this idea a reality. We started with an idea that we thought was good. We submitted this idea in a proposal for funding to the Wisconsin Department of Agriculture and things began to come together once we received approval of the ADD grant funding.
2. We knew that we needed strong partners to make this project go forward. A group of Ginseng farmers created a Coop to supply our Ginseng needs. We agreed to purchase Ginseng from this Coop because it would benefit a greater number of farmers than purchasing ginseng from one grower. We contracted with Beehive Botanicals in Hayward to manufacture product for us to our specification. We also contracted with Beehive Botanicals to provide accounting and follow-up services after we attend a trade show. Our tribal partners helped us secure approval of the Great Lakes Intertribal Council for endorsement of our Native Herbs Ginseng.

3. Without the ADD grant support and staff support for the Wisconsin Department of Agriculture we would have had a much more difficult time getting financial partners. It would have delayed the project by 6 month to a year.
4. We believe that Wisconsin farmers will ultimately benefit with increased sales of Wisconsin products both domestically and internationally. In the next year we will be adding other Wisconsin grown products to the Native American marketing strategy. We will add Echinacea, Goldenseal, and Cranberry Concentrate to our line by the end of 1999. We are also looking at adding products that can be produced by Wisconsin farmers and have a Native American heritage, products like Maple Syrup, Wild Rice, and fruit juices. In the future we will be adding other healthy and ecologically friendly products to the Native American line. This product development will be done in consultation with the Native Tribes and the Great Lakes Intertribal Council. We will also be expanding our marketing efforts to the Pacific rim countries.

Information use:

1. We are looking for other partnerships similar to the one we have with the Ginseng Board of Wisconsin. They received a federal FAS (Foreign Agricultural Service) grant to market Wisconsin grown Ginseng in Europe. We will use our funds to compliment their efforts in Europe. One of our major goals is to increase sales of Wisconsin produced products internationally, we have contacts in Europe and we are looking for more partners in Wisconsin. When this report is distributed we hope to have contacts from other Coops and marketing boards to form new partnerships that will help expand our offerings and their markets.

Research and marketing materials:

1. We will be sending along some basic marketing information from the US Census Bureau, Foreign Trade Division showing that the majority of ginseng sales in Europe currently are from Asia and Canada.
2. We will also be sending along some marketing material that was created for Wisconsin Ginseng under the "Native Herbs" label and a bottle of product with our label.
3. We would appreciate anyone who would do research on the effectiveness of Wisconsin Ginseng, this would be of help in marketing in Europe.