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# A Study on Ginseng Price Fluctuations in China and South Korea

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**Abstract** China and South Korea are the main producers and exporters of ginseng. This paper mainly discusses the characteristics of ginseng price fluctuations in China and South Korea. As people continue to understand the concept of homology of medicine and food, there is still an increasing international demand for ginseng, and the favorable market can be expected.

**Key words** China and South Korea, Ginseng, Price

## 1 Introduction

Ginseng has been known as the "king of medicine" and its medicinal value has long been recognized around the world. In September 2012, the State Health Planning Commission approved the artificially cultivated ginseng as a new resource food. Ginseng, a generally recognized valuable medicinal herb, is allowed to enter the food market to achieve homology of medicine and food, and with the continuous development of modern medicine, a variety of advanced technologies are used to extend the application of ginseng to health care, cosmetology, foods, beverages and other fields.

The global ginseng trading volume was about 15699 t in 2012 and about 15908 t in 2013. In terms of the average price trend, the overall global ginseng prices have been on the rise since 2009<sup>[1]</sup>. From the current situation, it can be found that as people continue to understand the concept of homology of medicine and food, there is still an increasing international demand for ginseng, and the favorable market can be expected.

## 2 China's ginseng prices in 2013

In 2013, China's white ginseng (25) price was 600–750 yuan/0.5 kg, similar to South Korea's Panax ginseng price; the white ginseng price of Sichuan Hehuachi was 750 yuan/0.5 kg; the white ginseng price of Anhui Bozhou and Guangzhou Qingping was 600 yuan/0.5 kg.

In 2013, China's red ginseng (30) price was 800–900 yuan/0.5 kg, 57%–64% lower than South Korea's price of 1413 yuan/kg. The red ginseng price of Anhui Bozhou and Hebei Anguo was 900 yuan/0.5 kg, while the red ginseng price of Guangxi Yulin and Guangzhou Qingping was 800 yuan/0.5 kg.

In 2013, American ginseng price was 750 yuan/0.5 kg in most parts of China, while it was only 420 yuan/0.5 kg in Hebei<sup>[2]</sup>.

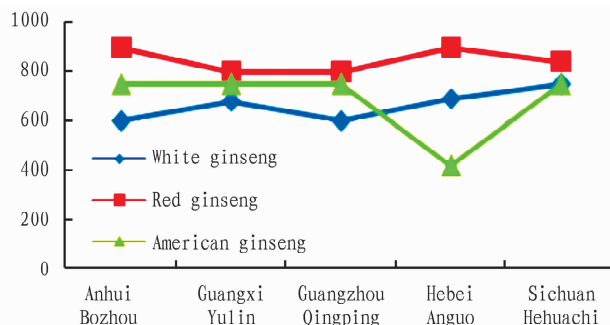


Fig. 1 China's ginseng prices in 2013 (yuan/0.5 kg)

## 3 China's red ginseng price fluctuations

70% of the domestic ginseng is processed into red ginseng for domestic demand, while 30% processed into white ginseng for export to Japan. In China's ginseng market, the price of imported red ginseng is significantly higher than the domestic red ginseng price.

South Korea's Korea red ginseng price is 15.49 yuan/g, while Tong Ren Tang's red ginseng price is only 2.29 yuan/g. China's red ginseng (15) price remained at higher than 450 yuan/0.5 kg in December 2014, 400 yuan/0.5 kg in early 2015 and remained at 420 yuan/0.5 kg in the summer. The red ginseng (30) price remained at 370 yuan/0.5 kg in December 2014, fell to 360 yuan/0.5 kg in March 2015, and then fell to 330 yuan/0.5 kg.

The Guangzhi (15) red ginseng price was 550 yuan/0.5 kg in December 10, 2014, but then fell to 420 yuan/0.5 kg. The Guangzhi (30) red ginseng price was maintained at 400 yuan/0.5 kg from December 2014 to March 2015, fell to 370 yuan/0.5 kg in April–May and was 319 yuan/0.5 kg in June<sup>[3]</sup>.

## 4 China's white ginseng price fluctuations

40% of the domestic ginseng is in the form of fresh ginseng and white ginseng to meet domestic demand, while 30% of the domestic ginseng is used for processing ginseng products and 30% is used as the export raw materials. China's white ginseng (16) price fell from 440 yuan/0.5 kg in 2014 to 400 yuan/0.5 kg in early 2015, and then was maintained at 400 yuan/0.5 kg.

The white ginseng (30) sale price was 410 yuan/0.5 kg in 2014, and then fluctuated between 325 and 370 yuan/0.5 kg<sup>[3]</sup>.

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The price of white ginseng (30) was 26 – 88 yuan/0.5 kg lower than that of white ginseng (15), but the price gap significantly increased from May 2015.

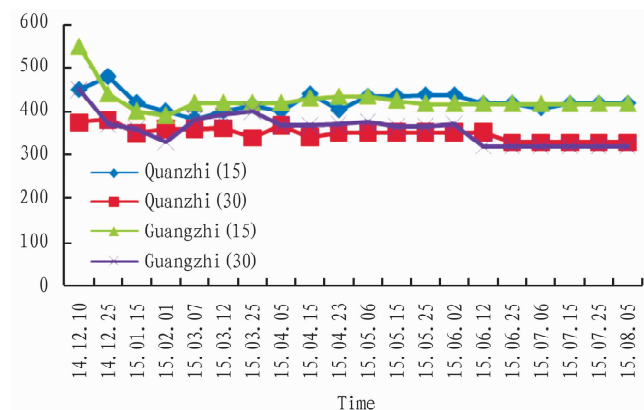


Fig. 2 China's red ginseng price fluctuations (yuan/0.5 kg)

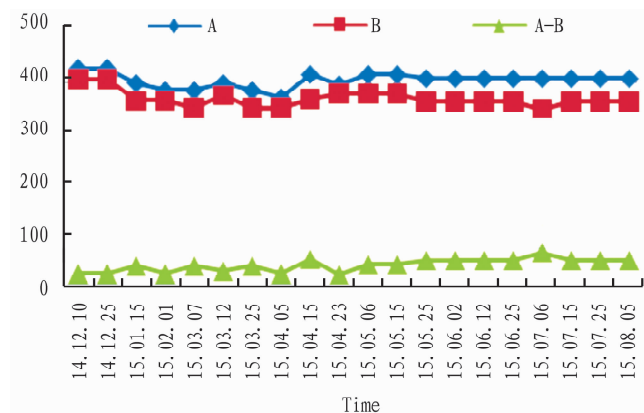


Fig. 3 China's white ginseng price fluctuations (yuan/0.5 kg)

## 5 South Korea's ginseng price fluctuations

**5.1 Fresh ginseng price fluctuations** South Korea's fresh ginseng price was 31753 won/750 g in 2001. In 2005, it rose to 36576 won but fell to 27513 won in 2010; it fell by 4% in 2015 after rise of 18% in 2014. Over the past 15 years, the fresh ginseng price has repeatedly fluctuated, but the price declined compared with 2001.

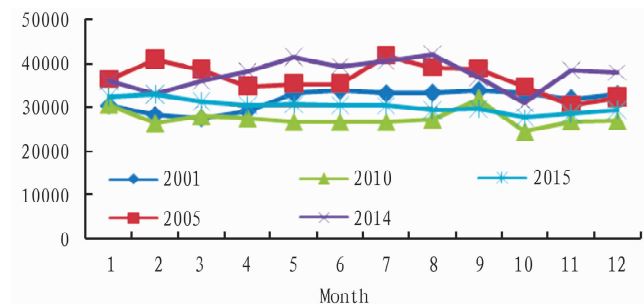


Fig. 4 South Korea's fresh ginseng price fluctuations (won/750 g, 10)

It was mainly due to the growth and harvest area of ginseng. The monthly fluctuation in the price of fresh ginseng was not large,

and after the low price in the harvest period of October, it reverted to the original price level.

**5.2 Panax ginseng price fluctuations** South Korea's Panax ginseng price (300 g, 15) increased from 48220 won in 1998 to 61320 won in 2000 and reached 71858 won in 2003 and 70806 won in 2006.

After increasing by 6% and reaching a record low of 50990 won in 2009, it rose to 59993 won in 2012 (an increase of 24%), and increased by 26% to 60893 won in 2015, but then there was no significant price recovery trend.

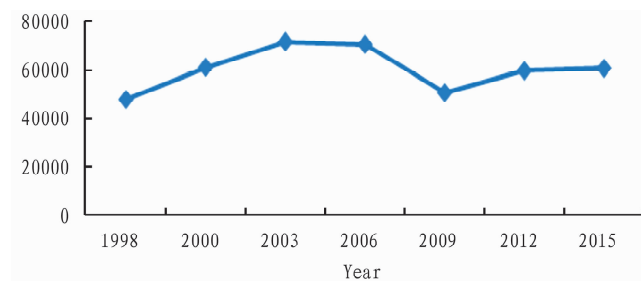


Fig. 5 Panax ginseng price fluctuations each year (won/300 g, 15)

Fig. 6 shows the Panax ginseng price fluctuations each month. In 2000, the price was high in January – February, but the price in other months was slightly lower than the average annual price; in 2005, it started to be higher than the average annual price from July; in 2010, the price was high from October; in 2015, the transaction price was basically the same as the average annual price.

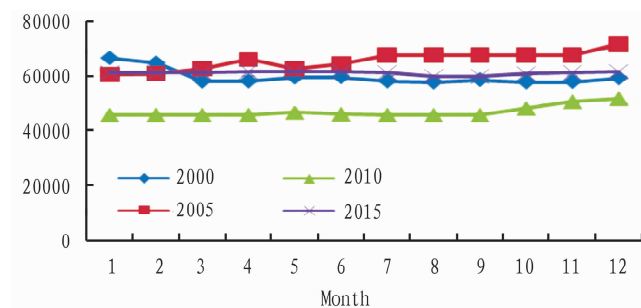


Fig. 6 Panax ginseng price fluctuations each month (won/300 g, 15)

**5.3 White bending ginseng price fluctuations** The white bending ginseng price (300 g, 50) was 20690 won in 1998, and rose by 30% and 77% in 2000 and 2003, respectively, reaching 36606 won in 2003; the growth rate declined in 2006 and 2009, rising by 65% and 24%, respectively, and the price was only 25645 won in 2009; it surged by 61% and 108% in 2012 and 2015, respectively, reaching 42958 won in 2015; the overall price showed a continuous upward trend.

The white bending ginseng price fluctuations each month can be shown in Fig. 8. In spring and summer, 2000, 2005, 2015, the price was high; in fall, 2010, the price was the highest.

From March to August in 2000, the price gradually rose, and was low from September to December; in each month of 2005, the price increase was not obvious; in early 2010, the price was low, but soared from October; in 2015, the monthly price volatility was

small, but the price was high in July and August.

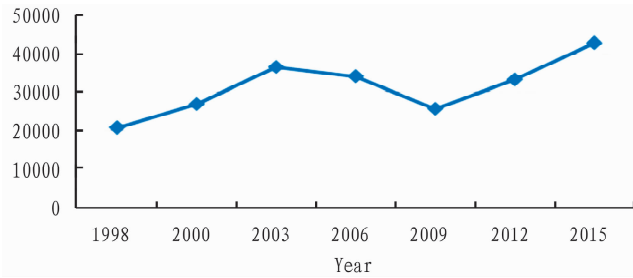


Fig. 7 White bending ginseng price fluctuations each year (won/300 g, 50)

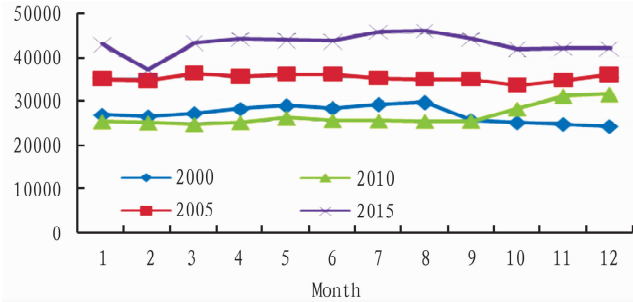


Fig. 8 White bending ginseng price fluctuations each month (won/300 g, 50)

**5.4 Dried ginseng price fluctuations** The dried ginseng price (300 g) was 29630 won in 1998; it increased by 8% to 32049 won in 2000; it increased by 77% to 52521 won in 2003; it increased by 7% to 31847 won in 2006; it increased by 16% to 34250 won in 2008; it increased by 1% to 30000 won in 2009; it increased by 22% to 36188 won in 2010.

After 1998, the dried ginseng price was above the level of 30000 won, but there was no significant price fluctuation, and the price increase was significant only in 2003. From 2010, it was excluded from the price survey due to negligible transaction.

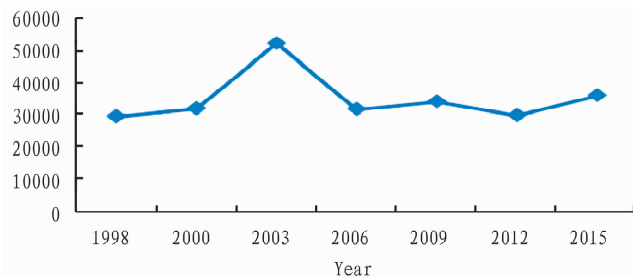


Fig. 9 Dried ginseng price fluctuations each year (won/300 g)

The dried ginseng price fluctuations each month can be shown in Fig. 10. From September to October in 2000, 2004 and 2008, the price was low; from January to April in 2000, the price was low.

The spring, summer price was high while the fall and winter price was low. The reason for unobvious price fluctuation was that the dried ginseng could be easily stored.

**5.5 Dried greyish-brown ginseng price fluctuations** The dried greyish-brown ginseng (300 g) price was 27170 won in 1998; it rose by 13% to 30670 won in 2000; it rose by 116% to

58781 won in 2003; it rose by 55% to 42128 won in 2006; it rose by 37% to 37282 won in 2009; it rose by 48% to 40111 won in 2012; it rose by 73% to 46954 won in 2015; the growth rate of dried greyish-brown ginseng price was the highest in 2003.

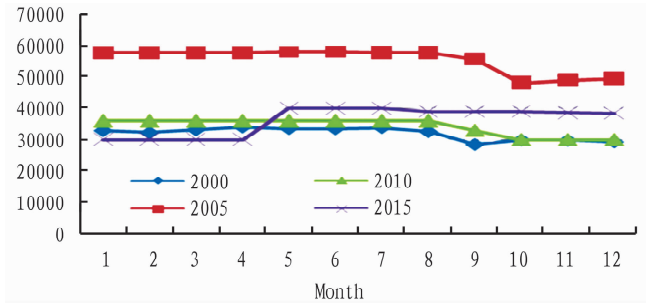


Fig. 10 Dried ginseng price fluctuations each month (won/300 g)

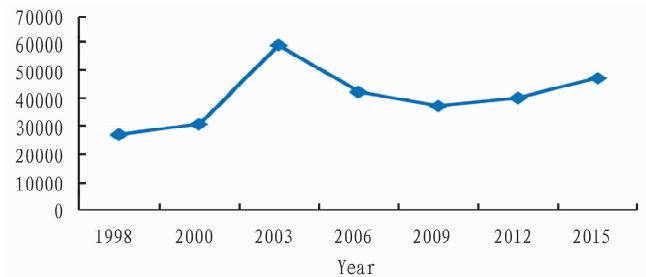


Fig. 11 Dried greyish-brown ginseng price fluctuations each year (won/300 g)

Fig. 12 shows the dried greyish-brown ginseng price fluctuations each month. There were almost no dried greyish-brown ginseng price fluctuations within the year, and the price was high in the spring and summer of 2000, but the overall price was relatively stable.

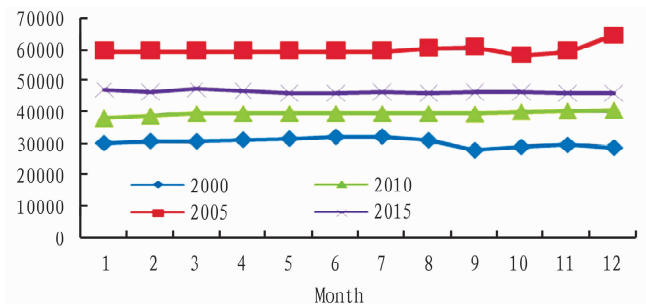


Fig. 12 Dried greyish-brown ginseng price fluctuations each month (won/300 g)

## 6 Conclusions

China's current ginseng price is still much lower than that of South Korea. South Korea's Korean ginseng has vigorously developed the international market for many years, and has high value-added. In the main ginseng consumption areas, South Korea's Korean ginseng occupies high-end market, while China's ginseng only occupies the low-end market.

However, China's ginseng industry has been supported by the government departments and the standardized production level has

lish green values, and change the unsustainable development model at the expense of environmental and social harmony only focusing on GDP.

Secondly, it is necessary to change the role of government, further clarify the government's service functions, reduce government intervention in the market and companies, and establish government supervision and accountability system to improve the efficiency of government operation.

Finally, it is necessary to establish an innovative institutional mechanism. There is a need to innovate upon the elimination mechanism of lagged output capacity, ecological compensation mechanism, resource protection mechanism, compensation mechanism and incentive mechanism.

**4.2 Leading the green development through the differentiation strategy at the regional level** On the one hand, we should give full play to and explore the comparative advantages of the mountain regions in biological resources, tourism resources, green energy resources, human resources and market resources, so as to become the unique competitive advantages of the mountain regions and develop them into corresponding characteristic industries.

On the other hand, it is necessary to improve green transformation compensation mechanism for the resource-exhausted mountain regions. For resource-exhausted mountainous areas, there is a need to improve the green transformation compensation mechanism, promote the reasonable compensation paid by the resources use areas directly for resource exploitation areas, and at the same time, the state finance should give the necessary supplement.

**4.3 Supporting the green development through transformation and innovation at the industrial level** In terms of agriculture, it is necessary to vigorously develop green agriculture. It is necessary to transform the agricultural development policy only emphasizing yield to the agricultural development policy only emphasizing quality through technological innovation, to achieve agricultural ecological security, resource security, environmental safety and agricultural product safety.

Finally, it is necessary to promote green agriculture development through the innovation of agricultural management system. In

terms of industry, we should speed up the construction of green industrial system, vigorously promote the construction of green industrial park, vigorously develop strategic new industries, and accelerate the transformation and upgrading of traditional industries.

In the case of the green finance industry, it is necessary to vigorously promote the construction of the green credit system, increase the credit support for the environment-friendly projects, strengthen the financial support for the new energy industry and green leading enterprises in the mountain regions, and at the same time, quit the loans which do not meet the national green credit requirements.

**4.4 Focusing on the protection of vulnerable groups and giving full play to the role of women at the social level** By increasing employment opportunities, increasing financial transfers and increasing direct subsidies, it is necessary to adopt many ways to increase support for the vulnerable groups in the mountain regions to promote the sharing of development results.

This is the fastest policy arrangement for poverty reduction and economic development in the mountain regions. It is necessary to give full play to the role of women in supporting green economic development, broaden women's work areas, raise women's job opportunities, liberate women from traditional green areas such as environmental protection and craftsmanship, encourage them to participate in non-traditional areas, especially in some high-tech areas, to promote sharing of green development results.

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been significantly improved. Affected by resource constraints, new technology promotion, product upgrade and other factors, the value-added is increased, the market demand will be more vigorous, and the price will rise steadily.

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