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The Ontario government has set out an objective of reducing red tape by trimming unnecessary regulatory burdens on businesses and harmonizing regulations with other jurisdictions. The government's 2018 legislation, *Restoring Ontario's Competitiveness Act*, targeted a 25% reduction in regulations over the next four years. The government has an opportunity to build on this success and reach its target of reducing red tape through a review of *The Endangered Species Act, 2007 (ESA)*.

The ESA came into force in Ontario in 2008, with the dual aim of protecting at-risk species and their habitats and promoting species recovery. Over the past decade, the ESA has been criticized for being ineffective at achieving these aims. The ESA has also been criticized for creating barriers to economic development and for being unclear, administratively burdensome, time-consuming and costly. Certainly, as it relates to American ginseng, the ESA is ineffective in both protecting the species and promoting its recovery. In fact, American ginseng is not actually endangered. There are currently 10,000 acres and approximately 3.2 billion plants of American ginseng under production in Ontario alone.

The Ontario Ginseng Growers Association (OGGA) supports the Ontario government review of the ESA. It is time, as the government notes, to improve protections for species at risk, consider modern and innovative approaches to achieve positive outcomes for species at risk, and look for ways to streamline approvals and provide clarity to support economic development. To those ends the OGGA respectfully recommends that American ginseng be removed from the ESA's endangered list.

American ginseng is a wild perennial plant that can be categorized in four ways:

1. Wild ginseng: ginseng that has never been planted by humans and that occurs naturally in a forest setting
2. Wild-simulated ginseng: ginseng that results from planting seeds in a natural setting at a low (natural) plant density with minimal disturbance of the forest floor
3. Woods-grown ginseng: ginseng that is planted in the woods using soil preparation, fertility, and pest control measures, but which uses the forest as a natural canopy
4. Field-cultivated ginseng: ginseng that is planted in an open field under artificial shade

Because field-cultivated ginseng was established with the use of wild ginseng seed, there is no genetic distinction between wild, wild-simulated, woods-grown, and field cultivated ginseng.

Presently, the planting, harvest, trade and cultivation of wild, wild-simulated and woods-grown American ginseng is prohibited under the ESA because of American ginseng's "endangered" status. The prohibition does not apply to "field-cultivated American ginseng", so long as three requirements are met:

- (a) it is cultivated on land in respect of which licence fees are payable to the Ontario Ginseng Growers' Association under Ontario Regulation 340/01 (Designation — Ontario Ginseng Growers' Association) made under the Farm Products Marketing Act;
- (b) it is cultivated without the use of any material from American ginseng, such as seeds, roots or cuttings, that was taken from the wild in Ontario on or after June 30, 2008; and
- (c) it is cultivated using structures that produce artificial shade.¹

This distinction between "wild, wild-simulated, and woods-grown" ginseng and "field-cultivated" ginseng is arbitrary and dangerous for the species. If the government is looking to enable positive outcomes for the ginseng species, as well as accept current science, reduce unnecessary red-tape, and encourage trade, it should remove American ginseng from the ESA's "endangered" list and encourage the planting and growth of *all* types of ginseng.

Historical concerns that allowing wild-simulated and woods-grown ginseng production would harm existing "wild" ginseng populations by introducing threatening diseases have been entirely debunked. Up-to-date science demonstrates that more field-grown, wild-simulated or woods-grown ginseng would not introduce any added risk to the existing wild populations.² Even if infected or diseased seed is returned to a natural setting (i.e. the wild), there is no added concern to the wild ginseng population. This is because any pests encountered in the field are already native to Ontario and are therefore known to the existing wild populations.

The planting and growth of wild, wild-simulated, and woods-grown ginseng should also be encouraged in order to reduce poaching of these roots. Wild, wild-simulated, and woods-grown ginseng is more valuable and desirable than field-cultivated ginseng. There is a significant price-differential paid for wild/wild-simulated ginseng versus field-cultivated ginseng. Based on ginseng markets in the United States, the price for wild ginseng is usually 20 times that of field grown root – a clear incentive for poachers. However, with more wild, wild-simulated, and woods-grown ginseng available, the value of these ginseng roots will drop. This will lead to significantly less poaching of the plant, further benefitting the ginseng population. Presently, the ESA does nothing to reduce poaching of the ginseng root.

The ESA tries to save ginseng from extirpation, but actually hastens that exact result. By banning the planting of wild, wild-simulated and woods-grown ginseng, the ESA does more harm than good to the ginseng species. It inflates the price of wild ginseng and promotes poaching.

The legislation may have been drafted with good intent, but it imposes destructive regulations and restrictions that are simply ill-informed in view of up-to-date science and which do nothing to promote the health of the ginseng species. In other words, the ESA's categorization of, and prohibitions on, American ginseng simply constitutes unnecessary and harmful red tape. Listing American ginseng in the ESA is a barrier to business growth without an evidence based public policy justification. This is exactly the type of 'red-tape' that should be eliminated.

¹ O. Reg. 242/08, s. 2 (1)

² Sean Westerveld, *Diseases and Pests of Ginseng in Ontario: Potential Impacts on Wild Populations*

There is an additional benefit, beyond the health and survival of the ginseng plant and the reduction of red-tape, to removing American ginseng from the ESA “endangered” list. A significant majority of Canadian-grown American ginseng is exported to Asian countries (it is believed that well less than 10% of Canadian-grown American ginseng remains in Canada; over 90% of our ginseng is exported). Due to the red tape requirements associated with importing and exporting an “endangered” species, we have seen declining market demand for field-cultivated ginseng. Recent reports indicate domestic retailers have experienced a decrease in sales at an approximate value of \$36 million resulting from the red-tape requirements associated with purchasing American ginseng. Removing ginseng’s “endangered” status should result in increased demand for the field-cultivated ginseng root and increased exports.

At the same time, there is currently a global over-demand for wild and wild-simulated ginseng root. In the United States alone, the wild-ginseng trade is valued at \$25 million annually. Allowing the production of wild, wild-simulated, and woods-grown ginseng will lead to a further increase in Ontario’s exports. Removing American ginseng from the ESA will therefore have the added benefit of supporting economic development and demonstrating to our trading partners that Ontario is open for business.

Allowing for the planting, harvest, trade, and cultivation of wild, wild-simulated, and woods-grown ginseng will even have positive effects beyond the ginseng industry. For example, the encouragement of an expanded wild-simulated ginseng industry will give motivation to some private landowners to keep their mature forested properties intact, rather than to allow these properties to be logged. Selective logging of forests, a common practice encouraged by foresters on private lands, has the effect of ensuring the demise of any ginseng plants in the forest, as too much light is introduced to the forest floor. Robust education programs that allow landowners to protect and multiply the species could be developed in conjunction with the removal of American ginseng from the ESA.

The OGGA is committed to the success of the ginseng species and is eager to encourage the positive outcomes outlined above. Once the prohibition on the planting, harvest, trade, and cultivation of wild, wild-simulated, and woods-grown ginseng is removed, a certain percentage of OGGA members’ annual ginseng seed could be donated to wood-lot growers or groups like Scouts Canada. This would further accelerate the repopulation of the species by making the ginseng seed more readily available.

It is clearly better for the species, for the environment, and for Ontario’s growing ginseng sector if American ginseng’s “endangered” classification is revoked. Not only are ginseng levels well beyond any threshold level of “endangered” status, but doing so will achieve many positive outcomes, including a safe, maintained, and expanded ginseng population, the reduction of red-tape, and increased economic opportunity.

Respectfully submitted,



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Chair

Ontario Ginseng Growers Association