

OPPORTUNITIES FOR SOUTH AUSTRALIA IN TRUFFLES

As demand in Asia grows for fresh truffles and value-added truffle products, South Australia has an opportunity to broaden and enhance its truffle industry, which currently forms a negligible part of the overall truffle ecosystem in Australia.



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This fact sheet presents a high level summary of the opportunities for South Australia to supply truffles to the eight countries analysed through the Functional and Luxury Foods Research Project.

Australia is the fifth largest truffle producer in the world with the majority being Perigold or black truffles. Australian truffle growers have also successfully produced white truffles on a smaller scale. 80% of Australian truffles come from Western Australia, with New South Wales making up the majority of the remainder. South Australia currently has around 10 truffle growers with none producing large commercial crops.

Global supply of truffles has been in decline over recent decades due to disruption in traditional growing areas, while global demand has continued to grow with particularly strong growth in Asian markets with large, wealthy and westernised populations.

CHINA In China there is a significant proportion of the population geared towards 'aspirational living' which is driving the demand for truffles and other luxury foods. There is an emerging local truffle industry which should continue to drive the demand for the product.

HONG KONG In Hong Kong, truffles do not attract any import duty and there is no local truffle cultivation. There is high demand for truffles, particularly amongst High Net Worth Individuals, who have previously paid hundreds of thousands of dollars for individual truffles.

INDIA In India, truffles are generally considered the most luxurious imported food item. They are not readily available at high end retail outlets and are generally only found in heritage and five star hotels. The demand for truffles is currently a niche market however increasing gradually due to growing awareness among Indian consumers.

INDONESIA Truffles are known staples in Indonesia's high-end restaurants where French chefs dictate the menus, however consumption outside of high end restaurants is very limited. White truffles are especially rare.

JAPAN Japan has the second highest demand for truffles globally, driven by the restaurant trade. There is a high emphasis on quality accreditation for the produce. There is no significant local production in Japan.

MALAYSIA In Malaysia, truffles and truffle-related products are almost exclusively available in Kuala Lumpur, the nation's capital city. Truffle is largely consumed in truffle oil, but a large proportion of the truffle oils available in the country is actually oil flavoured with a synthetic truffle aroma. There is no local production of truffles in Malaysia.

SINGAPORE Singapore's economic prosperity has seen a rise in the consumption of truffles mainly as a demonstration of social status, prevalent in the western expatriate population.

SOUTH KOREA Truffles are mainly imported into South Korea from France, and usually consumed in high-end European-style restaurants. Truffles are not typically part of Korean cuisine so they are considered a statement of wealth and consumed at business dinners and on special occasions. Recent breakthroughs in the artificial cultivation of truffles are expected to create an alternative source of income for farmers in South Korea. With higher disposable incomes and increasing interest in luxury goods across South Korea, truffles are increasingly being sought after as haute cuisine items.



OPPORTUNITIES FOR SOUTH AUSTRALIA

As demand in Asia grows for fresh truffles and value-added truffle products, South Australia has an opportunity to broaden and enhance its truffle industry, which currently forms a negligible part of the overall truffle ecosystem in Australia. Opportunities for a South Australian truffle industry include:

- South Australian producers should be encouraged to consider growing white truffles, which are more highly valued in Asia and which would differentiate South Australia against other Australian and Chinese producers.
- Use of traceability technology to verify that truffles are Australian-grown as a product differentiation point. With Chinese truffles selling for significantly less than Australian truffles, there exists the risk of fake Australian truffles being sold in Asia. Use of traceability technology to verify that truffles are Australian-produced will support greater value-add in Asia.
- Producers should identify and exploit packaging technology that is better able to maintain the integrity and aroma of truffles when exported into Asia.
- South Australian producers should look for value-add opportunities for truffles, for example production of blended products with other South Australian luxury food producers, such as olive / truffle oil blends.
- There is an industry view that producers in South Australia have less technical expertise in truffle production than growers in other states as they have not had the opportunities in terms of industry workshops, seminars and other training. Encouragement and support for industry development in South Australia could therefore help to support industry growth.
- There is a general lack of technical skills in areas such as mycology and cultivation available in South Australia. Research and education in South Australia in these areas would help to stimulate greater availability of technical skills.
- Other states in Australia have undertaken more activities to raise the visibility of the local truffle industry, for example the Canberra and Melbourne truffle festivals. Conversely, South Australia is not seen as having a significant truffle industry.



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