

## Truffle Trail –An Exploratory Study on Marketability of Truffles in India

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### Abstract

Everybody likes to lead a luxurious life. The luxury one can afford is been decided by the amount of money they could spend on possessions that are materialistic. Apart from having such materialistic possessions people are willing to spend on things that are so rare and special. There are a bunch of people across the world who are willing to pay heavily for luxurious food. Among the expensive luxurious food items in the world, Truffles is a major delicacy. Truffle is the fruiting body of an underground mushroom. France, UK, US, Spain, Italy, Sweden, Australia are some of the countries that produce Truffles. The demand for the truffle is approximately 10 times higher than the supply. Because of such a high demand different countries have also started showing interest in cultivating truffles. China has copied French truffles and has started producing truffles in their country eyeing the market for French truffles. Like China, India is also a global market but the concept of truffles is not that popular. But sooner or later the demand for truffles will increase in India too. Like all the other expensive and luxurious food items in India, truffles will also gain popularity. This study aims to understand the market analysis of Truffle industry in India. The study predominantly is qualitative in nature and relies on secondary data resources.

**Keywords:** Luxury, demand, marketability.

### 1. Introduction

A truffle is the fruiting body of a subterranean Ascomycete fungus, predominantly one of the many species of the genus *Tuber*. Truffles are ectomycorrhizal fungi and are therefore usually found in close association with tree roots. (*Spore Release and Dispersal*, 2016.) Some of the truffle species are highly prized as food. Edible truffles are held in high regard in French, Italian, Ottoman, Middle Eastern and Spanish cuisine, as well as in international *haute cuisine*. They are cultivated mostly in Italy and many other major European countries. Truffles come in many varieties such as Black truffle, Summer or Burgundy truffle, White Truffle etc. Prices vary according to aroma and size.

Truffles are an agricultural product and hence they are dependent on weather. It can cost around 3800 euro a kilo to 5000 euro a kilo. They are bought in kilos or pieces. If bought through agents then the truffles cost even more. Since truffles are rare commodities, they are expensive and always in demand in European countries too. China, sensing this demand, starting cultivating a kind of a mushroom which they call as Chinese truffles. They look so similar to Italian Mushrooms but the taste and aroma is completely different.

In India, Truffle mushrooms are not widely available. They are served in seven star or five star hotels along with pasta as shavings on the top. Usually about 3 grams of truffles are shredded in one serving of pasta which adds up to Rs. 1500 on the pasta bill. Thus, one can equate Truffles to Champagne. Ritu Dalmia the owner of Diva restaurant is one such caterer who uses Truffles in her cuisines. For instance there were white truffles on the menu at Amitabh Bachchan's 70th birthday party where she did some of the catering. (Sanghvi, 2017) Truffles are imported mostly by hoteliers in India either through an agent or from a supplier directly.

## 2. Literature review

Truffles are fungi which lives in the roots of plant. They are highly demanded in many nations because of their extraordinary aroma and taste. Truffle species display basic natural highlights, for example, a generally extensive variety of host species and the requirement for a calcareous soil (Mello, Murat, & Bonfante, 2006). Cultivating truffle is a long term process which keeps you waiting for a period that ranges from five to seven years before the first fructifications. The cultivation of truffles mainly depend upon the environment and climatic condition (Notivoli, Santafe, Sanchez, & Barriuso, 2016). Truffles can be used for various purposes. It contains some compounds such as antioxidant, anti-tuberculosis and anti-inflammatory effects that are good for human health. It can be used as food also (Patel, 2012). Truffles are being produced and marketed globally and nationally. The leading producers of truffles are China, USA, Netherland, Poland, Spain, France, Italy, Ireland, Canada and UK. Some ways to solve marketing problems of truffles are strengthening the demand and expanding the market area, decreasing the production cost and bringing down the sale price to increase the demand (Wakchaure, 2011). European producers are of the opinion that Chinese truffles are of low quality. They claim that Chinese truffles are cheap and tasteless which sell for as little as € 10 a pound. The European tuber group is of the view that Chinese truffles are overrated and the waste of money and it will potentially ruin the market by convincing European consumers. Thus the Tuber Group wants the European commission to impose import duties on Chinese truffles and to implement new regulations which enforce restaurants to state clearly about the kind of truffles they use (Lichfield, 2003).

## 3. Rationale for the study

India's rich are growing their wealth much faster than the global average. The number of multi-millionaires, for example, was up 20% globally in the last five years—for India, the increase was 56%. In 2016-17 alone, they increased by 21%. There is a market for luxurious goods. Likes of Champagne and Caviar have been loved by the Uber rich and the market has been flourishing even though it is niche. Delicacies such as truffles are all well-known across the world. Our contemporary China has already taken the advantage of this rising demand and has started growing Chinese truffles. Whereas, in India, truffles are rarely known. Truffles are unexplored in the Indian market. They are less known. Indians have not tasted the natural earthy flavour of original truffles. On one side, marketing of truffles in India seems to be a very good idea, given the fact that it is a niche market and the luxury items demand has been growing exponentially over the years. But on the other hand, will people be able to afford such an expensive product, will imports be sufficient, will there be demand for truffles India, will Indians accept such a product etc are some questions which hover around the topic of marketability of truffles. Thus, an exploratory study can be the first step in coming up with propositions.

## 4. Research Gap

As we can see from the above literature, research has been done on the mechanism of cultivation of truffles, harvesting of truffle produce, the various uses of truffles, the luxury factor attached to truffles, menace of Chinese truffles in the truffle international market, and most importantly the rising demand of truffles across the world. However, in the Indian context, barring few articles, which talk about the rising popularity of truffles amongst the Indian rich and few musings about the rendezvous of truffles with the Indian market, not much research has been undertaken.

## 5. Objective

To conduct a market analysis of Truffle industry in India.

## 6. Methodology

In order to conduct a market analysis of this niche industry, certain marketing dimensions were chosen. These dimensions are the demand for truffles in the world, uses of truffles in the world, the major exporters and importers of truffles, the probable buyers of truffles in India, Indian suppliers, the close substitutes for truffles, the various advertisement strategies used for marketing of truffles and distribution of truffles. The study is predominantly qualitative in nature. Data was gathered from websites of various association, trade magazines, export consulting firms, India mart, Trade mart, Alibaba.com, other online journals, blogs and YouTube videos.

## 7. Discussion Mode

This study throws light on the demand for truffles in the world, uses of truffles in the world, the major exporters and importers of truffles, the probable buyers of truffles in India, Indian suppliers, the close substitutes for truffles, the various advertisement strategies used for marketing of truffles and distribution of truffles.

### 7. 1. Demand for truffles in the world

Global mushroom and truffle consumption had an enormous growth from 2007 to 2015. It amounted to 11,202 thousand tonnes in 2015, increased by more than 7.9% than the previous year. The total consumption volume increased at an average of 8.1%. The growth rate was high in 2012, where the output increased by 14%. There is a great demand for truffles in the food market because of its special taste and aroma. The top truffle consuming countries are China, United States of America, Italy, Netherlands, and Poland. China is the world's leading consuming country for truffles with an annual consumption of 8181 thousand tonnes followed by the United States by 444 thousand tonnes.

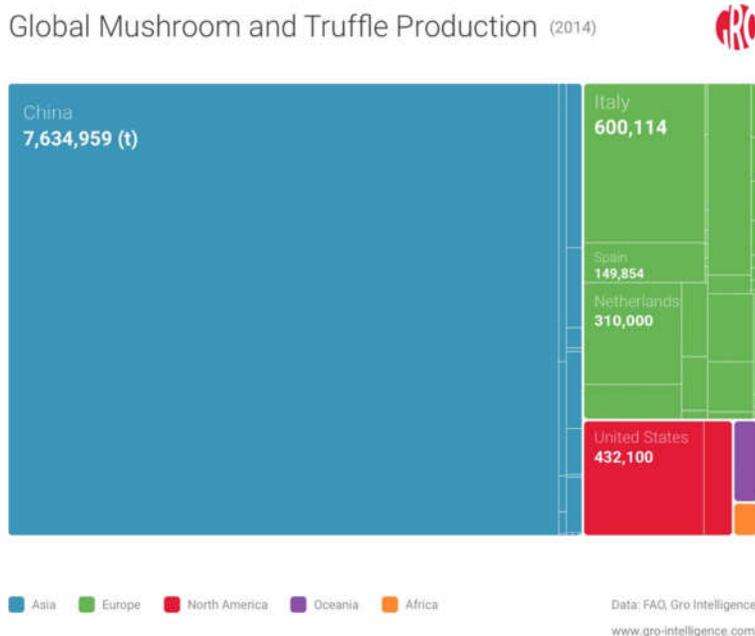
### 7.2 Uses of truffles in the world

Truffle mushrooms are good in terms of rich proteins and minerals. It contains some compounds such as antioxidant, anti-tuberculosis and anti-inflammatory effects that are good for human health. It can be used as food, either eaten in a raw or cooked manner. It is a dominant ingredient for cooking, flavouring and garnishing different dishes. Antimicrobial, Immunomodulation, antitumor and Anti mutagenic property and also as

aphrodisiac, sterol and anti-depressant source. Truffles possess mystical aphrodisiac powers. According to a survey, about 95% of the non-Bahraini and 72% of the Bahraini eat truffles for sexual reasons. It act as an agent for fixing mycorrhiza and nitrogen. It also act as an important medical resource.

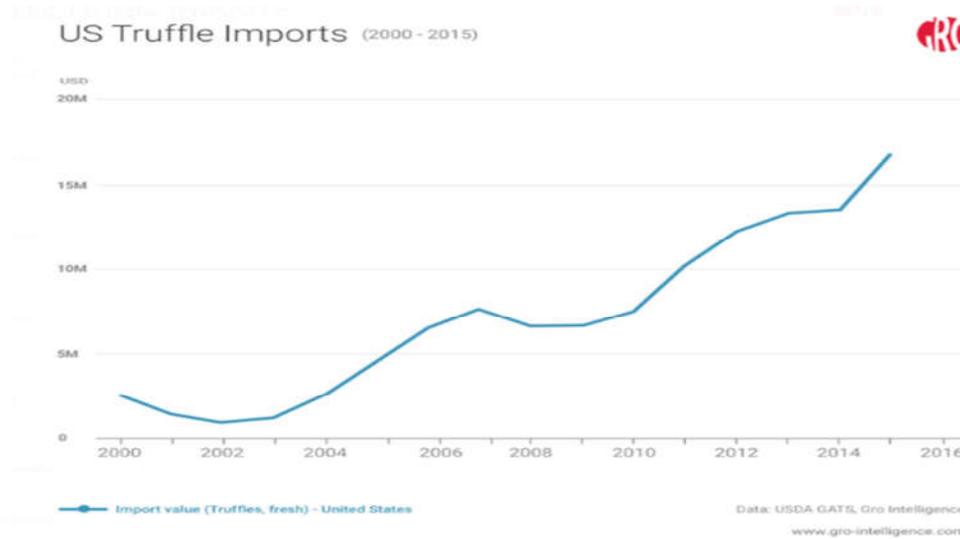
### 7.3 Major exporters and importers of truffles

#### 7.3.1 Major Exporters



China is the world's leading producer of truffles and mushroom due to its availability of large number of labours followed by Italy, Spain, Netherland and United States. In 2014, China had truffle production of 7.6 million tonne. Over the last ten years from 1997 to 2007, it is estimated that there is a global mushroom production of about 2.18 to 3.41 million tonnes. (FAO, USA statistics)

**7.3.2 Major Importers**



Importers of truffles are spread across the world. The major importers of truffles are UK, Germany, France, Netherland, Belgium, Russian Federation and Japan. According to FAO, USA is the largest importer of mushroom with around \$16.8 million in 2015. According to FAO statistics 2007, the leading importer of truffles is Germany (1,05,186 tons) followed by Russian federation (69,726 metric tons), USA (67,058 metric tons) and Japan (32,757 metric tons).

**7.4 The probable buyers for truffles in India**

The below table depicts the probable buyers in India, who may buy truffles in future.

STATE	HOTELS
DELHI	Ashok Hotel, Delhi Hyatt Regency Delhi Imperial Hotel, New Delhi Maidens Hotel, Delhi Oberoi Amarvilas, Agra
HARYANA	The Oberoi, Gurgaon

JAMMU AND KASHMIR	Hari Niwas Palace, Jammu
PUDUCHERRY	Hotel de l'Orient, Pondicherry
RAJASTHAN	<p>Oberoi Rajvilas, Jaipur</p> <p>Taj Lake Palace, Udaipur</p> <p>Oberoi Udaivillas, Udaipur</p> <p>Bissau Palace Hotel</p> <p>Devigarh, Udaipur</p> <p>Lake Palace, Udaipur</p> <p>Lalgarh Palace, Bikaner</p> <p>Laxmi Niwas Palace, Bikaner</p> <p>LMB Hotel, Jaipur</p> <p>Rambagh Palace, Jaipur</p> <p>Laxmi Niwas Palace, Bikaner</p> <p>Roopangarh Fort, Roopangarh</p> <p>Samode Palace, Samode</p> <p>Shiv Niwas Palace, Udaipur</p> <p>Umaid Bhawan Palace, Jodhpur</p>
TAMIL NADU	<p>Accord Metropolitan, Chennai</p> <p>Bungalow on the Beach, Tharangambadi</p> <p>Crowne Plaza Chennai Adyar Park, Chennai</p> <p>Fisherman's Cove, Chennai</p> <p>The Grand Chola, Chennai</p> <p>Hilton, Chennai</p> <p>Hotel d'Angeli's, Chennai</p> <p>Hyatt Regency, Chennai</p> <p>JW Marriott, Chennai</p>

	<p>Kohinoor Asiana, Chennai</p> <p>Le Royal Meridien, Chennai</p> <p>The Leela Palace, Chennai</p> <p>My Fortune, Chennai</p> <p>The Park, Chennai</p> <p>Radisson Blu City Centre, Chennai</p> <p>Radisson Blu Hotel, Chennai</p> <p>The Raintree Hotel Anna Salai, Chennai</p> <p>The Raintree Hotel, St Mary's Road, Chennai</p> <p>Residency Towers, Chennai</p> <p>Savera Hotel, Chennai</p> <p>Taj Club House, Chennai</p> <p>Taj Connemara, Chennai</p> <p>Taj Coromandel, Chennai</p> <p>Trident Hilton, Chennai</p> <p>Westin, Chennai</p>
TELANGANA	<p>Park Hyatt, Hyderabad</p> <p>Taj Falaknuma Palace, Hyderabad</p>
UTTAR PRADESH	<p>Fort Madhogarh, Madhogarh Uttarakhand</p> <p>Savoy Hotel, Mussoorie, Dehradun</p>
WEST BENGAL	<p>The Elgin Hotel, Darjeeling</p> <p>The Oberoi Grand, Kolkata</p> <p>Great Eastern Hotel, Kolkata</p> <p>Windamere Hotel, Darjeeling</p>

### 7.5 Suppliers of truffles in India

Truffles are a kind of mushroom which gives a great flavour when added to food. There are numerous suppliers for truffles in India. The below table depicts the suppliers of truffles in India.

1.	Oyster Mushroom AgrowNo. 14, Panneer Selvam Street, SF No. 470/2, Amman Thottam Premier Mills, Othakalmandapam Post, Coimbatore-641032, Tamil Nadu, India
2.	Geeta Industries , Business Details: Plot No. 4, Village Johron Tirlokpur Road, Kala Amb, Himachal Pradesh
3.	Biswas Agro Limited , Cb-56, Sector - 1, Salt Lake City, West Bengal India
4.	Sabs Mushroom Products, 9/4, Puddu Palli St., Santhome, Chennai, Tamil Nadu India
5.	Sapthagiri agro products, Samiyampalayam, B.komarapalayam, Salem, Tamil Nadu India
6.	Savitha Mushrooms Pvt ltd , No.15/1, No. 29, First St, Thiruvallur Nagar, Kottur, Chennai, Tamil Nadu India
7.	Onto gino Flora Pvt ltd -13, Institutional area, lodhi road, Delhi India
8.	Ramkrishna Bio tech- Amar Hsg. Society, Ramkrishana, Bunglow, Plot No.1, Pune, Maharashtra India
9.	Shri Bhagwati Bhagvan Enterprises, Wholesale Suppliers Address 1181, 3rd Block, 1st Cross, Kuvempu Nagar, Tumkur, Karnataka India
10.	Sri Veera Enterprises No.26, Mettukazhani Street, Adambakkam, Chennai, Tamil Nadu Indi
11.	Triveni Traders

	Village, Thakurpur, Near Shiva Mandir, PO-Umedpur, Via-Premnagar, Dehradun, Uttarakhand India
12.	Ambrosia Apiaries 107, Ranjit Sadan, K-128, Mohammadpur, Delhi India
13.	Sap Manikpur, Harinavi, Kolkata, West Bengal India <span style="float: right;">Agro</span>
14.	Shri Siddhi Vinayak mushrooms C/o Ms. Khutehi, Rewa, Madhya Pradesh India

### 7.6 Close substitute for truffle

Truffles predominate when it comes to luxury ingredients. The need for a close substitute of truffle arises when the prices of truffle mushroom increase. Himalayan mushroom, Chinese truffles, Gucci mushroom, Porcini mushroom, Mycorrhizal mushroom, morels are some of the substitutes for truffle. In recent years, Artificial truffle products such as truffle oil, truffle butter and truffle salt has gained popularity. However Truffle butter and Truffle salt are less expensive than buying the fresh truffles. There are a number of truffle variants and alternative fungus that offer a similar experience.

### 7.7 Advertising strategies

Some of the ways to advertise truffles are -

Advertising through trade journals and industrial segment magazines.

Food Magazines

Luxury goods related magazines

Blogs of famous Chefs

Blogs of Channels of Famous personalities known for Luxury writing

Food TV shows

Vlogs and Blogs of Travel Food writers

### 7.8 Distribution Channel

Currently the customers such as hotels buy truffles from a supplier who may be the importer or trader of truffles. It has been observed that mostly the importers directly supply to customers. We also found that there are traders who are looking out for suppliers. Many such requests have been found on India mart, Trade mart etc. But no responses from suppliers were observed.

## 8. Findings and Suggestions

As we can see from the study, the truffle market in India is still at very nascent state and there are very less suppliers in the market mostly who are importers. There is demand from five star hotels. However the demand needs to be fulfilled. With no advertising and visible demand of truffles, we can assume that there is less supply in the market There is scope for further research if we are able to access the demand correctly by gathering primary data from these hotels and more advertising efforts can be used or identified so that the market for truffles in India start booming.

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