



THE TRUFFLE & WINE CO

MANJIMUP ~ WESTERN AUSTRALIA



TRUFFLE BUSINESS – EDITION 02 – MARCH 2017

Welcome to...

The Truffle Business

Truffle Business

INFORMATION

EXPERIENCE

HELPING YOU SUCCEED

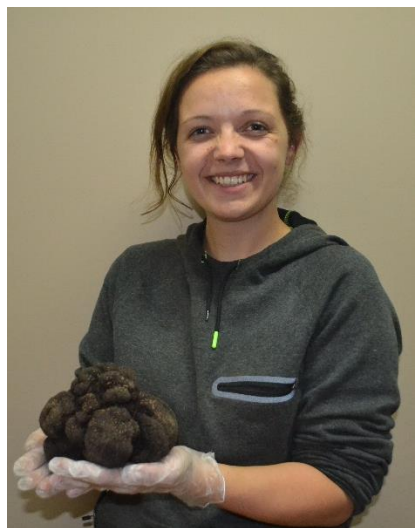


Milly Smith

Introducing Our New Grower Liaison

Welcome to the second edition of “The Truffle Business” – a guide to the truffle industry. As we prepare for truffle season we have been reminded of a need for change during a time of growth. We have been working with other truffle growers for some time now but have recently made changes that will allow growers the opportunity to get their product to market using our platform.

“Working with growers, we see a win/win opportunity here,” The Truffle & Wine Co. General Manager Michael Lowe said. “Having the largest distribution network (with our truffles landing in 30+ countries) with



Milly holds the 852g "Icon" truffle she unearthed in 2016



customers that are screaming for truffle, increasingly we are finding growers are keen to partner with a large group that can move their stock throughout the whole season and are guaranteed to get paid within a fortnight."

To assist in our partnership with truffle growers we have employed a Grower Liaison - Amelia "Milly" Smith, who will be responsible for handling all matters relating to the acquisition of truffle from other growers, to our farm. We have realised the need for a more formalised system for taking delivery of truffle and Milly comes to us with a host of talents which make her perfectly suited to the role. Milly has already had a great start to her career in truffles – unearthing a 852g "Icon" truffle on our farm last year.

We have created a simple but structured approach for taking delivery of truffles and have developed new "Guidelines for Growers" which will allow for the efficient delivery of truffle to our farm and subsequent payment to the grower. Growers will be required to contact the farm 24 hours in advance of their drop-off, indicating the approximate time of delivery and amount to be delivered. Economies of scale being what they are, our minimum allowable quantity is 250grams.

All truffles must be washed and clean prior to drop-off, following which they will be graded on the same day, or the day after, by graders at The Truffle & Wine Co (TWC). TWC will then take a photo of the total weight of the truffle, showing it placed on the scale and will then SMS and/or email the weight to the grower.

A breakdown of grades, including total figures, will be sent to the grower within 48 hours of receipt via email. Funds will then be transferred to grower's nominated account within 14 days. Any ungraded truffle – peelings or rot – will be marked with the grower's name and frozen; and can be returned at the end of the season, if desired.

Growers can expect pricing per grade to be available by early May.

The Truffle & Wine Co. will be holding information workshops for truffle growers in May, anyone interested should contact Milly on the details below. The Grading & Guidelines document mentioned is also available and if you have not already been contacted about a copy, please contact Milly for more information.

CONTACT DETAILS:

Milly Smith

Grower Liaison

T: +61 8 9777 2474

M: +61 (0) 499 188 231

growers@truffleandwine.com.au

GOT TRUFFLE?

contact our dedicated Grower Liaison Milly today!
0499 188 231 | growers@twc.com.au

Working in Partnership

Alex Wilson

Senior Sales & Marketing Manager

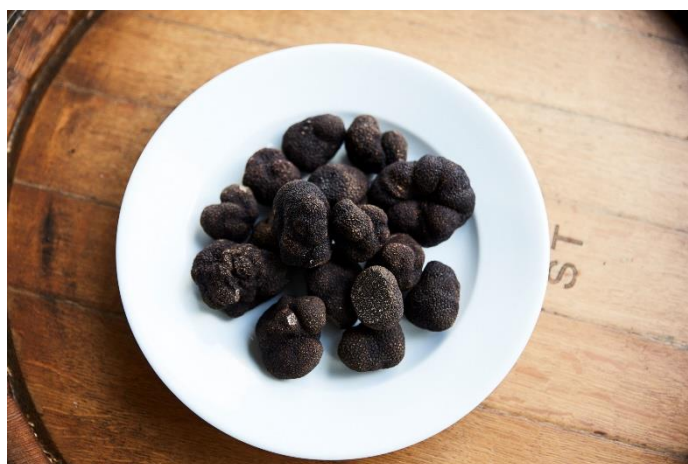
alex@truffleandwine.com.au



In the previous newsletter we covered the process of getting our Australian Black Truffle (*Tuber*

The most resource-heavy and intensive markets to get into, are new or aggressive **High-Growth Markets**. For these markets, a lot of work is required by us as well as by Distributors. If truffles are new (not just from Australia), or if Chefs have never trained using Truffle it means we need to start from the ground up. Distributors available in these markets may already be active in talking to Chefs about meat or premium produce (saffron, caviar, vanilla, etc.) – but they may need to learn about truffles themselves.

Achieving awareness plus sales in High-Growth Markets can include; running advertising campaigns in local print as well as online media and pushing social media channels in that market. We have capitalised on media avenues and previously hosted Chef workshops and cooking demonstrations with a Chef Ambassador. To support Distributors, TWC also sends representatives to join sales trips pre-season and assists with hosting launch events early in the season. We work alongside our Distributors to meet dozens of top Chefs, introducing the product and providing free samples. All of this activity equates to substantial time and cost. For High-Growth Markets a marketing spend of 5-10% of sales is not unheard of.



melanosporum) to high-end venues, domestically and abroad, using our large network of national and international Distributors.

Following on from that, I felt it would be good to explain how we work with our partners (Distributors and Chef Ambassadors) to showcase Australian Black Truffles, with a view to achieving solid sales each season. Whilst production in Australia has grown from a few hundred kilograms a decade ago to over 12 tonnes (dirty weight) last year – with a predicted target of over 30 tonnes (dirty weight) by 2025 – a lot of work needs to be done to achieve sales targets in each market; and keep prices high. As a large supplier, we are working hard to foster demand and develop markets that are new to Australian Black Truffle and set priorities to help get market access to potential new markets in the future.

Each of our markets can be broken down into one of three groups; **Maintenance Markets**, **Growth Markets**, and **High-Growth Markets**. Depending on the market and their history with our truffle; we may need to do a lot, or just a little, to help push sales plus do our best to achieve reasonable prices.

Our **Maintenance Markets** are those that have worked with us for at least a few seasons and sell to a large percentage of top venues in each region. Distributors in Maintenance Markets have achieved a high level of market penetration, ensuring Chefs at top venues know to turn to them for our truffle. Distributors in Maintenance Markets are well established with a large and diverse customer base. Therefore giveaways, samples and marketing spend should only account for 1-2% percent of sales (examples of Maintenance Markets for our truffle include: Japan, Hong Kong and Melbourne, amongst others).

As we move onto **Growth Markets**, where we are confident of increasing sales and/or where we have a new Distributor; hosting launch events, giving away truffle samples to potential new clients, educating Chefs on our brand and the Australian Truffle industry in general – all costs a bit more. Costs associated with helping develop Growth Markets should generally fall between 2-5% of sales (examples include: Singapore, U.K., North America and Queensland in Australia, amongst others).



Whilst selling truffle to **Growth and High-Growth Markets** is not cheap nor easy, we are excited to launch into new markets and help support growing markets. We accept that it is necessary to absorb these costs in the short-term, knowing that in a few short seasons what was once an aggressive High-Growth Market will settle into a normal Growth Market, then eventually become a Maintenance Market.

Even though we are in the fortunate equation of demand exceeding supply, selling Australian Black Truffles to the world is not without challenges. To maintain an excellent reputation for quality and achieve decent returns, all producers of Australian Black Truffle must continue to focus their efforts on high grading standards, maintain a consistency of product, challenge Chefs to be creative with truffle, and educate consumers on why they should demand Australian Black Truffle at their favourite venues.



Cover Exposed Truffles to Reduce Rot

Dr Janet Paterson
Research & Development Consultant

Research at The Truffle & Wine Co. by Dr Harry Eslick has shown that truffles left exposed rather than covered with soil are twice as likely to go rotten (Figure 1).

This makes truffle covering a seasonal necessity and one that can deliver hundreds of thousands of dollars in higher quality truffles on a multi-tonne truffle harvest.

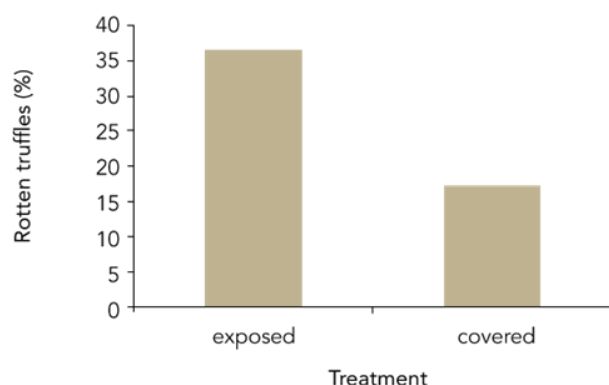


Figure 1. Impact of covering exposed truffles on rot level at harvest (Data from Dr Harry Eslick).

*Truffles left exposed on the soil surface were twice as likely to go rotten than truffles covered with soil.

The proportion of the total truffle harvest that breaks the surface each season at TWC varies with seasonal conditions and the level of soil compaction. Historically, it has varied anywhere from 15 per cent to above 40 per cent.

Covering is thought to lower rot because it suppresses a fungal pathogen implicated in causing truffle rot – *Tricothecium crotoconigenum*. Covering exposed truffles also reduces their exposure to the sun and attack by insects, slugs and snails.

Figure 2 shows that when exposed truffles are covered with soil there is a significant drop in the amount of the *T. crotoconigenum* fungus found on the surface of the truffles. The soil cover appears

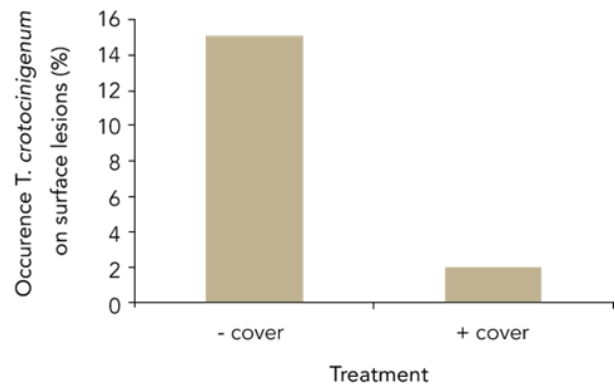


Figure 2. Amount of the rot-causing pathogen *Tricothecium crotoconigenum* on the surface of truffles either covered with soil or left exposed (Data from Dr Harry Eslick).

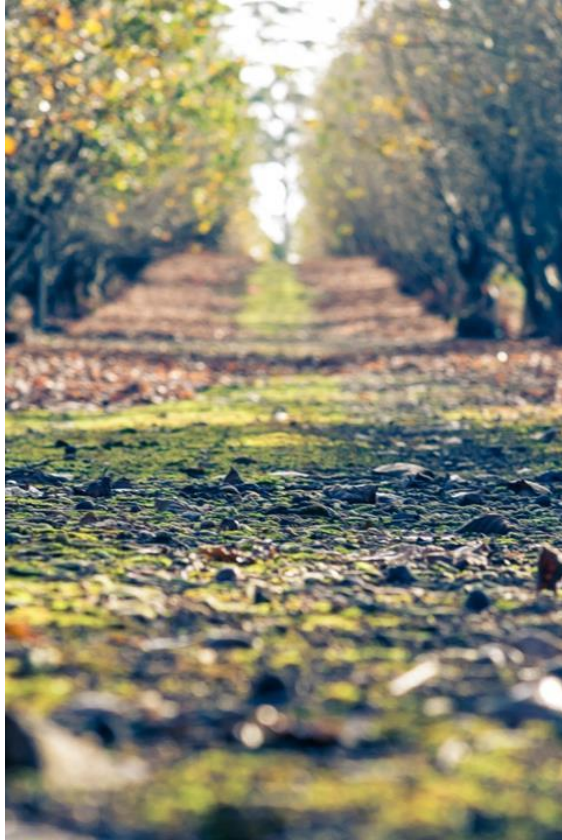
*Covering exposed truffles results in a significant drop in the rot-causing pathogen as it is unable to reproduce and infect the truffle.

At TWC we use a fine textured loamy soil excavated from near our dam to cover the truffles. In 2016 we covered about 20,000 truffle cracks across our 20-hectare orchard, which amounted to about 40 cubic metres of loam being applied. The coverings represented about 20 per cent of our total truffle harvest – about a tonne of truffle.



Pictured are Paul Webb – TWC Farm Manager and farm worker and head grader Bec Banfield.

to thwart the reproduction of the pathogen so that it is unable to develop spores and infect the developing truffle.



While truffle covering is a necessity at TWC, in an ideal world we would prefer all our truffles to form underground – so that damage from fungal pathogens, insects and sun exposure could be minimised. To encourage this, we use cultivation every few years to maintain a friable and aerated soil profile.

Cultivation in the spring of 2016 has meant we are covering far fewer truffle cracks this year because the truffles have been driven deeper into the soil profile. Recent monitoring indicates cultivation has driven the truffles about 2-3 times deeper compared with uncultivated rows.

Ongoing research will compare the quality of truffles in cultivated and uncultivated rows at harvest time. The results will form part of a future *Truffle Business* newsletter article.

For more information on truffle covering and cultivation please contact:

Dr Janet Paterson

sciscribe@wn.com.au

It's on again! Book your tickets [NOW](#)



TRUFFLE KERFUFFLE

Truffle Kerfuffle 2017

23-25 JUNE 2017

FONTY'S POOL, MANJIMUP, WA

www.trufflekerfuffle.com.au/whats-on/

Adrian's Top Tips for Pre-Season Training

Adrian Mielke

Australian Truffle Hunters

australiantrufflehunters@gmail.com

Truffle season is soon upon us!! As summer drifts into Autumn and the days get shorter and cooler, this means only one thing for our truffle puppies. Soon it's work/play time. No more lazing



around the backyard and enjoying the off-season, it's time to get a sniff on!

At Australian Truffle Hunters we give our trusty workmates the summer off. We still take them for walks, practice general obedience, maybe even teach them a new trick or two like fetching a cold drink from the fridge, but we put scent work on the backburner. But as summer ends, we start doing refresher training for our experienced dogs, or begin training any new recruits in earnest. We start small and build up, always with a key to making the process fun and enjoyable. For this stage, we use truffle oil, but you can use anything you like. Frozen truffle or Truffle oil are popular (contact TWC for details).

The main things we would emphasise are:

- Start small and build up. 3 minute sessions in week 1, 5 minute sessions in week 2, 10 minute sessions in week 3, etc. Don't over-do it. Have your dog wanting more of the game
- Remember it's a big game of hide and seek. We're not asking the dog to find a scent so that they can eat it (they do enough of this naturally, especially Labradors), we're asking them to show us where a scent is so that they please us and we in turn give them a reward – be it food, praise or play (this will largely depend on the temperamental breed of your dog and somewhat the individual nature of it)
- If you see your dog losing interest, stop the session. Don't force it. Wait a while, and go back to a shorter session, perhaps even just one 'find'
- Use this time to practice managing distractions (other scents, animals, noise, etc). Correct the dog by using a gruff tone of voice (indicating that this is not what you want) and praise/encourage immediately when you can see the dog focus on finding a scent again using a high-pitched, excitable tone
- You can also use this time to condition the dog(s) to any other issues that need attention, like getting them used to booties

Above all, **make it fun**, for you and the dog. If you're tired, stressed or angry, do it another time. And try and choose your training times when the dog is at its most energetic or interested. We generally find first thing in the morning, or late afternoon (just before feeding time!!) are the best times. Don't expect your dog to be all that interested just after you feed it.

All the best for a prosperous Australian Black Truffle Season 2017.





An Evolving Enterprise

Michael Lowe
General Manager
michael@twc.com.au

The Truffle and Wine Co. is a multi-faceted business that has evolved over the past 20 years. It is a business that is constantly challenging itself as to how it operates.



What does this mean?

Essentially TWC Management now focus their time on the **truffle** business with the restaurant, cellar door and truffle hunts, hived off to individuals who now own the separated entity.

These “new” businesses still operate under the TWC banner because they are licenced or “franchised” in a way.

So from late 2016 the following have owned and operated their own businesses:

- Helen McKenna is now the [“The Truffle Restaurant”](#)
- Stuart Hutchinson, through Hutchinson Wine Enterprises, has a producer’s licence and deals with the [wine and products at the cellar door](#)
- Deb McLaren, through [Southwest Truffle Dog Tours](#), will be doing seasonal truffle hunts with her prized pooches Miley and Jaz.

A lot of time and money has been spent over the past 20 years building the brand that is TWC; and the recognition that this gives in the local community and internationally for these three “new” businesses provides for a great platform.

Hospitality is all about people and we all know how much better it is to deal with the person who owns the business – Stuart, Helen and Debra know that service and quality count, they want you to enjoy your experience with them, so you will spread the word.

You can still find them at our webpage www.truffleandwine.com.au

We want to continue to grow the Truffle & Wine Co. and The Great Southern Forests as one of the premium tourist destinations in Australia, one experience at a time.

Niccolo Machiavelli once said "**Whosoever desires constant success must change his conduct with the times.**"

Well that is The Truffle & Wine Co. (TWC) takes that statement to heart - we crave constant and continuing success as a profitable ethical business providing sound returns for our shareholders and contributing to the community in which we live and operate.

After a review of the business operations in 2016 it was decided that TWC would modify its business model. Rather than owning and operating the restaurant, the cellar door, running truffle hunts and growing and selling truffle, TWC would concentrate on its core business – **truffles**.



cassandra@twc.com.au

The Truffle & Wine Co.

T: +61 459 490 015

F: +61 8 9777 2820

PO Box 422, Manjimup WA 6258

W: www.truffleandwine.com.au