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MARKETING OF WILD EDIBLE FUNGI (WEF) AND TRUFFLE IN ITALY: RECENT DEVELOPMENTS

 Davide Pettenella and Enrico Vidale
Dept. Landuse and Agro-forestry Systems
University of Padua - Italy

Outline

1. General overview
2. Italian regulatory framework
3. Three case studies (different marketing strategies)
4. Conclusions

This PP can be downloaded from the web site:
www.tesaf.unipd.it/pettenella



1. General overview

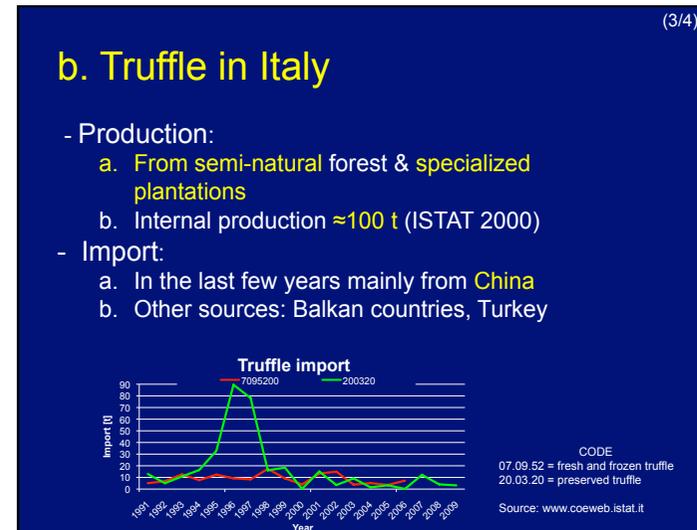
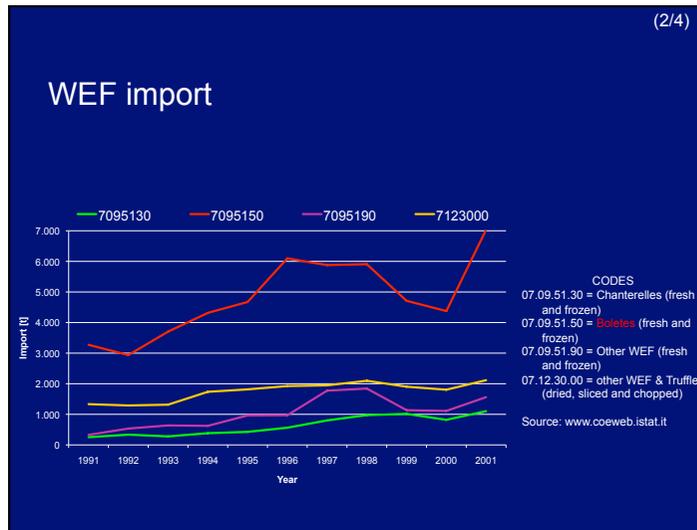
Some data and our research questions

a. WEF in Italy

(1/4)

- Production:
 - a. 1,100 t in 2000, \approx 5% of consumption
 - b. \rightarrow now near 10% (lack of statistics!)
 - c. Main product: *Boletus edulis*; other marked species: chanterelles, morels, honey fungus (*Armillaria* spp), etc.
- Import:
 - a. \approx 50% from China (dried, brine, pickled, frozen)
 - b. Eastern European Countries are the main source of fresh WEF (Romania, Bulgaria, etc.)
 - c. Problems with triangulation and threshold of records

Source: ISTAT2000, www.cesweb.istat.it



(4/4)

A general question:

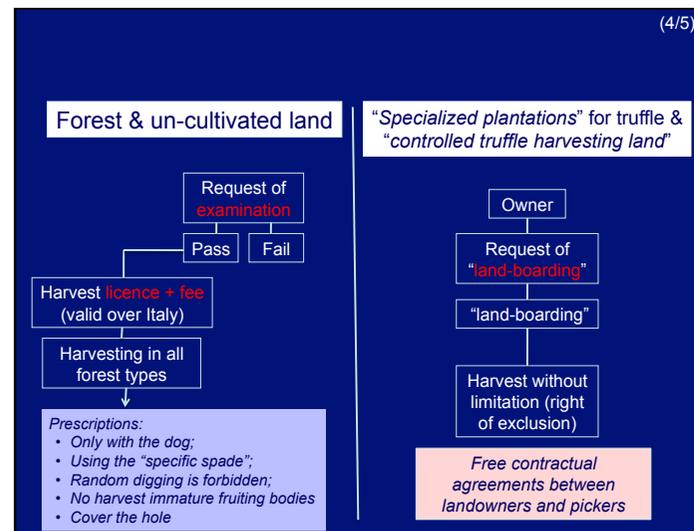
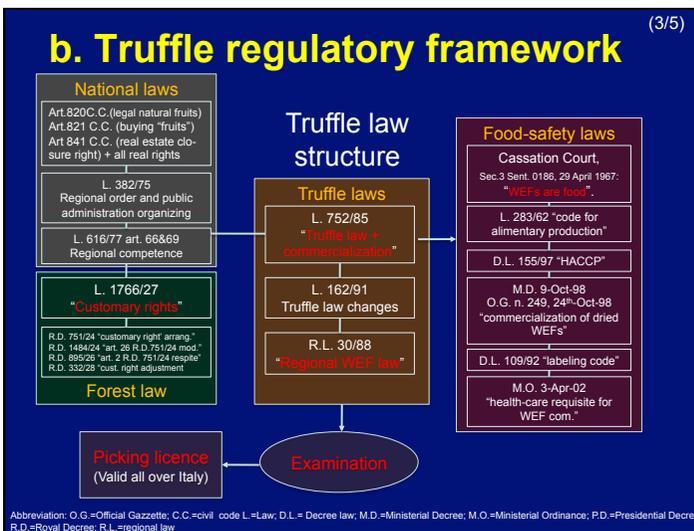
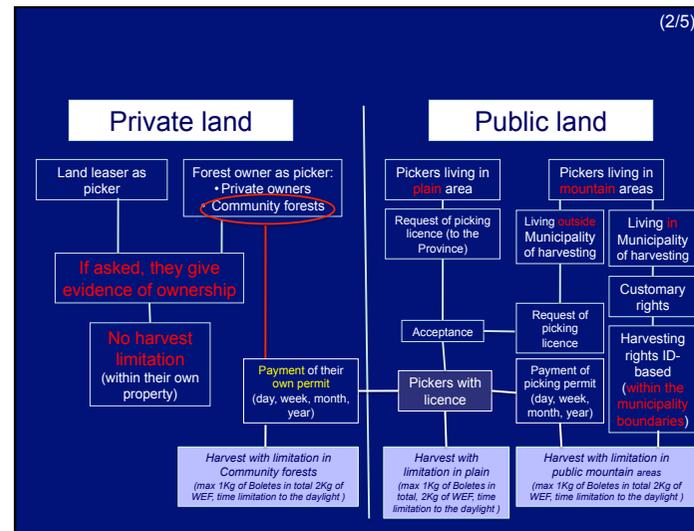
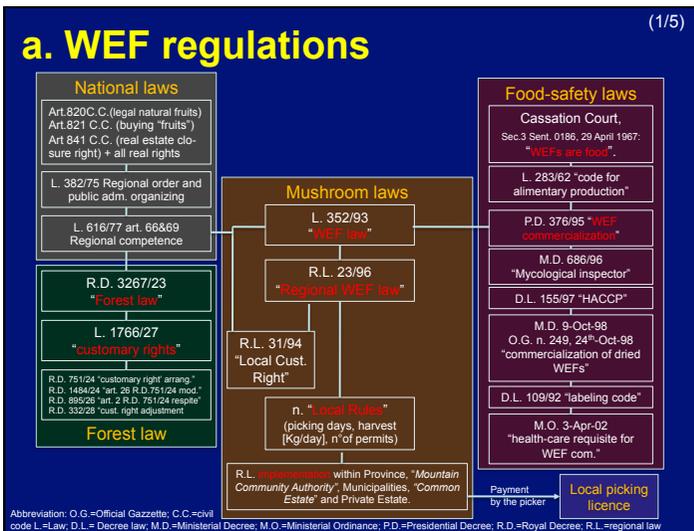
How WEF can generate income for people living in rural (remote) areas?

Two sub-questions: which is the preferable market organisation in relation to:

- property rights regulations? \rightarrow fair income distribution
- network among local stakeholders? Is it possible to promote a "territorial marketing" strategy based on WEF?

2. Italian regulatory framework

- WEF regulations
- Truffles regulations



WEF & Truffle law: considerations (5/5)

- Top-down law
- Command & Control approach
- Pickers' lack on law observance
- ...in the case of truffle picking, the same pickers control their colleges

In the case of WEF, property rights regulation alone is not enough for implementing a sound marketing strategy!



3. Three WEF case studies

1. Pre-Alpine mountains → only **law compliance**; no law enforcement, no marketing initiatives
2. Asiago plateau → limited marketing initiatives: **semi-structured** WEF picking
3. Borgotaro → well coordinated territorial marketing initiatives: **network-based** WEF offer

1. Only law implementation

"Astico-Brenta"
Mountain Authority
Surface: 108 Km²

- ≈ 3500 picker licences
- **Lack of control**
- Low **investment** on WEF resources

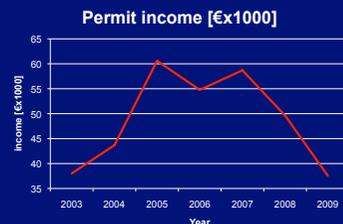
Permit cost: daily 6€; monthly 17€; annually 32€



"Astico-Posina"
Mountain Authority
Surface: 234 Km²

- ≈ 4000 picker licences
- **Minimum control**
- Low investment on WEF resources

Permit cost: daily 6€; monthly 30€; annually 77€



2. Semi-structured WEF picking

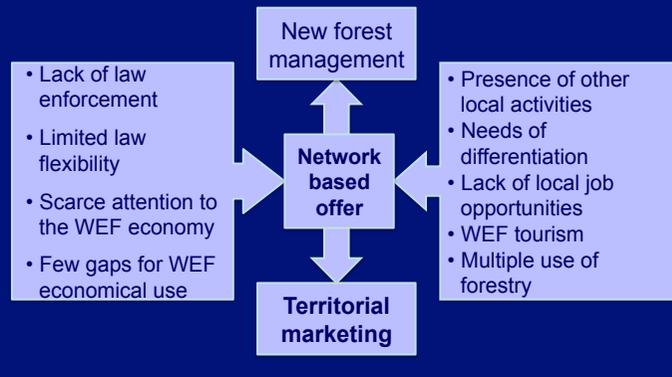
"Spettabile reggenza"
Mountain Authority
Surface: 490 Km²

- ≈ 10,000 picker licences
- More than 20,000 permits/yy
- Lack of control
- Few investment on WEF res.
- Some WEF buyers
- Presence of other recreational forest activities
- Limited initiatives of territorial marketing:
 - ✓ WEF among the main local products (i.e. Asiago cheese)
 - ✓ Link to the local handcraft shops
 - ✓ Picking tourism



3. Network-based WEF offer

“Know-how step” over the law (in)efficiency



Network-based WEF offer

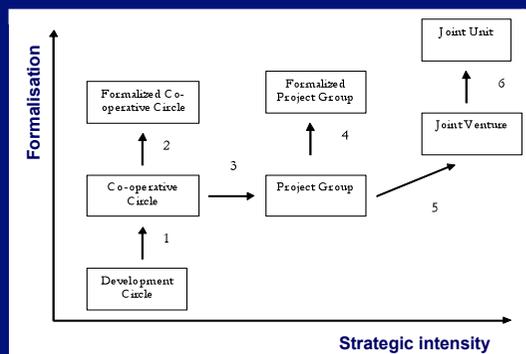
Definition of network

(Human and Provan, 1997 mod.)

“An intentionally formed **group of small- and medium-sized firms** in which the firms:

1. are **geographically proximate**,
2. **share some inputs and outputs**, and
3. undertake **direct interactions** with each other for specific business outcomes. The interactions may include joint production, new product development, collective marketing and employee training”.

Network development paths



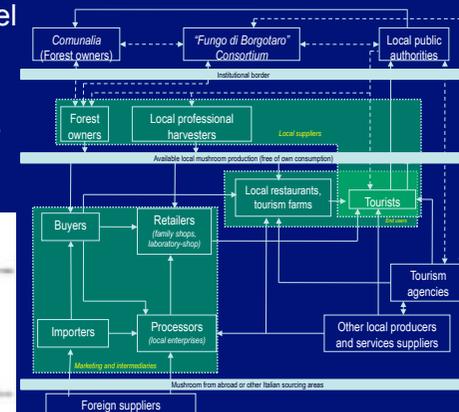
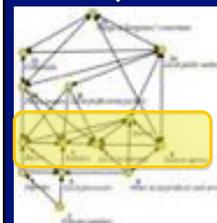
Main types of network

(Source: Varamäki and Vesalainen 2003)

3. Borgotaro Network

Borgotaro model

The Social Network Analysis (SNA) may help us to get some findings... for instance, who hold the **power of scarcity?**



WEF in Borgotaro: much more than a commodity or recreational service → component of **a larger network** based on the concept of “**territory**”, with the WEF as a brand

- ➔ a consistent portfolio of products and services
- ➔ coordinated marketing efforts for their promotion

Imago product:
PGI Borgotaro
Boletus

Enterprises: 62 (in 2008)

- 15 Agritourisms/ Farm businesses
- 12 Hotels/Guest quarters
- 8 Bed&Breakfasts/Inns/Hostels
- 9 Cheese, sausage and wine growing and producing factories
- 2 Didactic farms
- 3 Museums/Private collections
- 30 Restaurants/Porterhouses
- 26 Typical products sellers

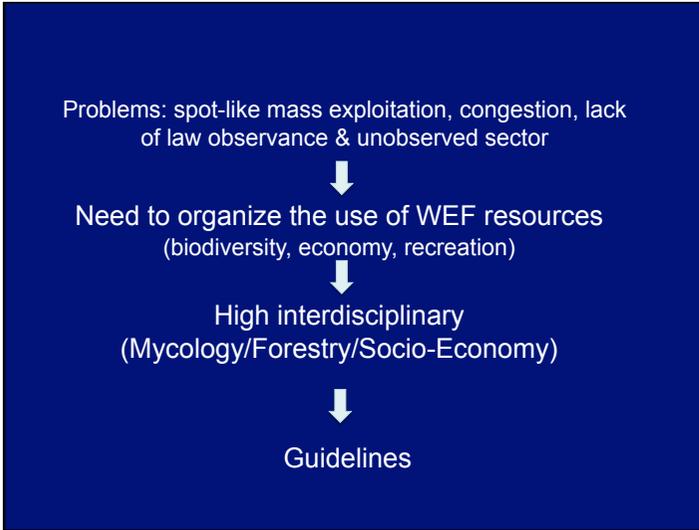
3. Umbria region and the black truffle

Willingness to cooperate among private operators

Private/public partnership in promotion

The basic idea: we sell the product, but also the associated history, monuments, events, farm tourism, ...

http://www.umbriadoc.com/eng/prodottotipico/generale/prodottotipicodoc_tartufo.htm





4. Conclusions

*"Networks are also **dynamic**: network growth can bring problems, conflicts and new risks, also because outcomes can have an **asymmetric distribution** among firms composing the network"* (Gulati, 1998)

Two components of the most advanced form of networks:

- **(contractual) coordination** of economical stakeholders for the supply of products and services to increase profit and/or stability (a market share)

- **mutual trust**:

← input = **social capital**

→ output = not only market products are supplied but also "**relational goods**"

Case-study findings

- Proper **organization** reduce the forest control costs & increase **directly** the forest outputs
- **Property rights** regulations are important for pickers & forest owners, but more important is the **entrepreneurial innovation** factor

... but:

- this activity is exposed to **high risk & instability** (i.e. seasonality,...)
- the **indirect** effects of a network increase the resilience of the system.

Conclusion: research

- Lack of **scientific knowledge and studies on traditional knowledge** on WEF management in Italy
- **Inter-institutional coordination among policy makers** to define a common strategy
- **Network** among mycologists, experts in silviculture and forest planning and economists.

