

China's fruit farmers hurt by lockdown losses as harvests rot

China's fruit farmers, hurt by lost crops from coronavirus lockdowns and a slow recovery in demand, are looking to reduce plantings, switch crops or even take other jobs to cover their losses.

Quarantine measures to curb the spread of the virus have disrupted supply chains and labour, preventing many farmers from harvesting produce or selling any they could salvage.

China is the largest producer of many fruits, accounting for over half the world's apples and roughly 70% of all grapefruit, peaches, tangerines and pears, according to U.S. Department of Agriculture data, although most is consumed locally.

Hardest hit have been small farmers without access to cold storage or those producing quick-spoiling produce such as cherry tomatoes and strawberries.

Wang, a strawberry farmer in Shandong province, was forced to dump over 10 tonnes of produce - worth half a million yuan (\$70,000) - over the past two months as lockdown measures halted transport and prevented workers from returning to his farm after the Lunar New Year, a key production season.

He plans to halve his acreage to 10 mu (1.65 acres) this year to cut costs.

"Prices have plummeted. I couldn't get my strawberries out, consumers who wanted to buy couldn't get them either... I have suffered huge losses," Wang told Reuters. "Right now I can only cut my acreage."

Industry experts say many farmers resumed production as China's virus lockdowns eased but demand has been slower to recover, particularly from commercial buyers such as restaurants, cafes and canteens.



“Supply has recovered faster than demand, which weighs on prices. Even though a lot of restaurants have been able to reopen, demand recovery is still slow,” said Darin Friedrichs, senior Asia commodity analyst at INTL FCStone in Shanghai.

In Liaocheng city, western Shandong, cherry tomato farmer Zhang said his cooperative’s planted greenhouse acreage of around 4,000 mu was loss-making at current prices, and many small farmers could switch to other crops.

“We have seen a drop in demand due to the virus ... we have not been able to earn the money we should have earned,” he said.

Prices of strawberry varieties at the Beijing Xinfadi wholesale market in February and March this year were down by between 12% and nearly half versus the corresponding period in 2019. Cherry tomato prices were down 12%.

Two tangerine farmers in Nanfeng county, Jiangxi province, who asked not to be named, said they had been unable to sell most of their stock as the coronavirus lockdown dampened demand.

One said he would reduce his acreage and take on another job in construction, while the second said his family would replant, but only half their orchard, given the low prices.

Analysts said the shake-out from the impact of coronavirus will accelerate consolidation in the industry.

“China’s farming sector remains dominated by smallholders, who are mostly credit-strapped and essentially have no hedge to cope with the current crisis,” said Wang Dan, an analyst from The Economist Intelligence Unit in Beijing.

“Many of them will leave the farming sector.”

(\$1 = 7.0766 Chinese yuan renminbi).

Lien article :

<https://www.reuters.com/article/health-coronavirus-china-fruit/chinas-fruit-farmers-hurt-by-lockdown-losses-as-harvests-rot-idUSL4N2BG2P4>

