

## **Bills Committee on Food Safety Bill**

### **Meeting with the Federation of Vegetable Marketing Co-operative Societies Ltd - Outcome and Follow-up Actions**

#### **Purpose**

We briefed the Federation of Vegetable Marketing Co-operative Societies, Ltd (FVMCS)<sup>1</sup> on the main features of the Food Safety Bill (the Bill) on 30 December 2010. This paper reports on the outcome of the meeting and the follow-up actions taken.

#### **Outcome of the Meeting with FVMCS**

2. With the assistance of the Hon. WONG Yung-kan, representatives of the Food and Health Bureau (FHB) and Food and Environmental Hygiene Department (FEHD) met with the FVMCS on 30 December 2010<sup>2</sup> to discuss the implications of the new registration scheme for food importers and distributors under the Bill on local vegetable farmers.

3. We explained that the registration scheme for food importers and distributors was the key component of the food tracing mechanism which would facilitate the Director of Food and Environmental Hygiene (DFEH) in identifying and contacting the food traders speedily in case of food incidents. Local vegetable farmers who distribute their produce, whether on their own or through the Vegetable Marketing Organisation (VMO), are regarded as food distributors and thus required to register with the DFEH under the Bill.

4. At the meeting, the FVMCS pointed out that the Bill had provided exemption to food importers or distributors who had already registered or had obtained a licence under other ordinances as set out in Schedule 1 to the Bill, among which included mariculture operators licensed by the Agriculture, Fisheries and Conservation Department and fishing vessel owners with licences for Class III vessels issued by the Marine Department. As such, they believed that local vegetable farmers who were also food producers should also be exempted from the registration. The FVMCS explained that most local vegetable farmers were members of vegetable marketing co-operative societies (VMCS), which transported the farmers' vegetables to VMO for wholesaling. As the FEHD would be able to obtain information of their members from the

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<sup>1</sup> According to its webpage, FVMCS is an organisation formed by farmers and consists of 26 vegetable marketing co-operative societies.

<sup>2</sup> Members have been informed of the meeting arrangement vide LC Paper No. CB(2)433/10-11(01) in November 2010.

VMCS, the FVMCS requested that VMCS members be exempted from registration with the FEHD. For those who were not VMCS members or those who sold through their own channels in addition to the VMCS, the FVMCS accepted that the FEHD would have difficulties in tracing the source of the supply and thus did not request exemption for them. The Government representatives agreed at the meeting to study the feasibility of the proposed exemption.

### **Site Visits to Study the Actual Operation of the VMCS**

5. There are 26 non-profit making VMCS under FVMCS. The VMCS undertake the marketing of vegetables for vegetable farmers at the wholesale markets in return for a commission to cover the daily operating expenses. To facilitate the consideration of FVMCS' proposal, representatives of FHB and FEHD visited five VMCS on 14 January 2011 to understand their actual operation including the registers of vegetable farmers. These VMCS are, namely, The Tsiu Keng Vegetable Marketing and Credit Co-operative Society, Limited, The Sheung Shui Vegetable Marketing and Credit Co-operative Society, Limited, The Sun Yau Vegetable Marketing Co-operative Society, Limited, The Castle Peak District Vegetable Marketing Co-operative Society, Limited and The Koon Lam Vegetable Marketing Co-operative Society, Limited.

6. The VMCS are established in accordance with the Co-operative Societies Ordinance (Cap. 33). Rule 10 of the Co-operative Societies Rules (Cap. 33A) stipulates that every registered society shall keep a register to be called the "Register of Members" wherein information such as the name, address and occupation of each member; the date on which each member's name was entered in the register and the date on which any member ceased to be a member shall be entered.

7. All of the above five VMCS have maintained a register of members. However, as revealed during the visit, since the inclusion of telephone members therein is not obligatory under the Co-operative Societies Rules, even those VMCS which have taken the initiative to compile members' directories are unable to record the telephone numbers of all their members. The registered addresses of some members are also incomplete and letters have to be forwarded to nearby farmers or shops. As such, the FEHD cannot rely on the records to contact the vegetable farmers concerned speedily in case of food incidents. Furthermore, while Clause 17 of the Bill requires the registered food importers or distributors to inform the FEHD in writing within 30 days after any changes of information provided, so as to ensure that the FEHD have the most updated contact information, the VMCS do not require members to update their information.

8. If a VMCS member distributes vegetables on his own, it will be impossible for the FEHD to trace the source through the VMCS. The FVMCS has therefore made no request for the exemption of these vegetable farmers. Nevertheless, it was found during the visit that the VMCS had no mechanism in place to ascertain whether their members had indeed delivered all their vegetables to the VMCS for distribution. In this regard, exempting members of VMCS from registration may create a loophole in food tracing.

### **Feasibility of FVMCS's Proposal**

9. Schedule 1 to the Bill lists the food importers or distributors registered or licensed under other ordinances. Such registration or licensing is mandatory and has legal effect. Since the relevant authorities have already captured the particulars of these importer or distributors, the Bill has provided for their exemption from registration as a business facilitation initiative. VMCS membership, on the other hand, is not a legal requirement for local vegetable farmers and some of them have not joined any VMCS. This makes a great difference between them and the persons listed in Schedule 1. In addition, as explained in paragraphs 7 and 8 above, the necessary particulars of members are not available from the VMCS.

10. Clause 18 of the Bill empowers the DFEH to obtain information of persons licensed or registered under relevant ordinances from the licensing authorities and requires the licensing authorities to comply with DFEH's requests. By way of contrast, the FEHD has no statutory power to request VMCS to provide information of their members.

11. In light of paragraphs 7 to 10 above, we do not recommend exempting VMCS members from registration as food importers or distributors under the Bill. The FEHD will enhance publicity of the Bill's requirements, render assistance to local vegetable farmers, and engage the VMCS in helping and encouraging vegetable farmers to register.

### **Advice Sought**

12. Members are asked to note the outcome of the meeting between the Administration and the FVMCS, and the analysis on the feasibility of the proposed exemption.