

ITEM FOR FINANCE COMMITTEE

HEAD 22 – AGRICULTURE, FISHERIES AND CONSERVATION DEPARTMENT

Subhead 700 General non-recurrent

New Item “Compensation and ex-gratia payments to poultry operators affected by avian influenza”

Members are invited to approve the creation of a new commitment of \$17.7 million for paying compensation and ex-gratia grants as applicable to local chicken farmers, wholesalers, retailers, transport operators and self-employed workers at the wholesale market.

PROBLEM

Owing to the detection of H7 avian influenza (AI) in an imported consignment of poultry in Hong Kong on 27 January 2014, the Administration has taken immediate measures to cull the birds in the Cheung Sha Wan Temporary Wholesale Poultry Market (the wholesale market). In this regard, some 22 604 birds were slaughtered by order of the Director of Agriculture, Fisheries and Conservation (DAFC) under the Public Health (Animals and Birds) Regulations (Cap. 139A). With a view to conducting thorough cleansing and disinfection at the wholesale market, we closed it for 21 days during which time all trading activities of live poultry have to be suspended. The exercise is hereinafter referred to as “the operation”. We need to pay statutory compensation as appropriate and see a case for providing ex-gratia payments (EGPs) to local chicken farmers, wholesalers, retailers, transport operators and self-employed workers at the wholesale market¹ to alleviate their financial difficulties as a result of the operation.

/PROPOSAL

¹ There have been some self-employed workers providing wholesalers/transporters with loading/unloading and cage cleansing services at the wholesale market, whom were not covered in the previous compensation and EGP packages. The current closure of the wholesale market which comes at the time when market demand for live poultry peaks in the run-up to the Lunar New Year deals a severe blow to these workers. They are paid on job-basis and have lost the chance of earning “double service charges” during the Lunar New Year. Their livelihood thus has been adversely affected. Against this background, we propose to provide them with EGP grants to help these workers meet their financial hardship during the suspension of trading.

PROPOSAL

2. We propose to create a new non-recurrent commitment of \$17.7 million under Head 22 Agriculture, Fisheries and Conservation Department (AFCD) Subhead 700 General non-recurrent for making compensation and EGPs as applicable to live poultry operators (including chicken farmers, wholesalers, retailers, transport operators and self-employed workers at the wholesale market).

THE PROPOSED COMPENSATION AND EX-GRATIA PAYMENTS

Statutory compensation

3. Under the Public Health (Animals and Birds) Ordinance (the Ordinance) (Cap. 139), the Government has to make statutory compensation to owners for the birds slaughtered by order of DAFC. According to the Ordinance, the value of a bird slaughtered shall be determined by DAFC but shall not exceed \$30 per bird.

4. For the purpose of the current operation, we propose to follow the provisions stipulated in the Ordinance. Wholesalers whose poultry were slaughtered by order of DAFC would receive the statutory compensation of \$30 per bird².

EGPs

5. To better manage the risks posed by AI, the Government launched the Voluntary Surrender Scheme in 2004-05 and then the Buy-out Scheme in 2008 whereby the number of retail outlets was reduced from over 800 to 132 at present, wholesalers down from 87 to 23, and poultry farms from 192 to 30. In 2008, the Government made it clear to those operators who chose to stay in the live poultry trade that they had to bear the risks of any further AI incidents in Hong Kong. No EGP was offered after 2008 when the live poultry trade was interrupted by the emergence of AI cases. In the recent case dated December 2011 where a dead chicken in the wholesale market was tested positive for H5 AI, poultry in the wholesale market were culled. Only statutory compensation was offered to the affected bird owners.

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² The market value of all the poultry in question exceeds the cap of \$30 per bird at the time of being slaughtered.

6. On this occasion, we propose to provide a one-off EGP on an exceptional basis to alleviate the particular financial hardship shouldered by different groups of live poultry operators. The justifications are set out in paragraphs 7 to 11 below.

JUSTIFICATION

7. Ever since the first outbreak of AI cases in Hong Kong in 1997, we have remained vigilant. We last reviewed the overall AI risk in Hong Kong in 2012 before the onset of the outbreak of H7N9 AI in the Mainland. It was then our assessment that the risk of AI in Hong Kong had stabilised at a relatively low level. The comprehensive preventive and surveillance measures that we had developed over the years and put in place in collaboration with the relevant Mainland authorities turned out to be effective and generally fit for purpose. At that time, we saw no grounds to change the status quo, including the scale of the local live poultry trade.

8. To the extent that no surveillance system, however elaborate, could attain zero risk, it was well understood throughout the years since 1997 that whenever the wholesale market is declared an infected area, we would, with reference to guidelines promulgated by the World Organisation on Animal Health (OIE), close it for 21 days to facilitate cleansing and disinfection. On public health grounds, trading activities for both local and imported poultry would be suspended across the board, irrespective of whether the infected poultry which cause the closure of the wholesale market are local or imported. There is no question of stakeholders in the live poultry trade who had chosen to stay in business since 2008 not being aware of the risk.

9. The H7N9 outbreak³ in the Mainland since the second quarter of 2013 served as a harsh reminder of the threat posed by AI. Not only does it revive concerns about the possible mutation of AI viruses into even more deadly strains, the H7N9 virus adds a new dimension to the challenges facing us. Unlike say H5N1 which is highly pathogenic to both poultry and humans (if infected), the H7N9 strain bears low pathogenicity in poultry and does not necessarily induce any clinical symptoms that may provide early alert to human beings. Tests against H7 are required to detect the virus. To manage the threat, we started in April 2013 to put local and imported live poultry through Polymerase Chain Reaction (PCR) tests against H7 at the farm level and at the Man Kam To boundary control point. We supplemented that with serological tests with effect from 24 January 2014 after a number of human infection cases came to light both locally (since 2 December 2013) and in Shenzhen and Guangdong (since the onset of the winter season).

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³ As it turned out, there are over 300 cases of human infection with influenza A (H7N9) reported to the Mainland authorities over a time-span of less than a year since Q2 2013, relative to some 650 cases of human infection with H5N1 reported to the World Health Organisation over a time-span of 11 years (since 2003).

Encl. 1

A summary of the preventive and control measures against AI that have been put in place by the Government in the years since 1997 is given in Enclosure 1.

10. As a surveillance measure, the PCR tests at the boundary control point prove their worth. On 27 January 2014, a number of samples from one consignment of imported poultry were found carrying the H7N9 virus. It rekindles debates in the community as to whether Hong Kong should stop the trading of live poultry altogether as a more fool-proof safeguard against the ever-changing threats posed by AI. Meanwhile, we had to close our poultry wholesale market for 21 days to facilitate thorough disinfection and cleansing.

11. The resultant interruption to the live poultry trade and operations in Hong Kong, coming as it did at a time when market demand for and price of live poultry peaked⁴ in the immediate run-up to (three days prior to) the Lunar New Year, dealt a particularly severe blow to live poultry operators. This has come on the heels of a notably sluggish sale period when live poultry trading was adversely affected by the H7N9 threat⁵, further exacerbating the financial hardship caused to them. In these circumstances, we see a special case for granting a one-off EGP to operators in the live poultry trade.

Details of the EGPs

12. We propose to offer EGPs of \$30 per bird at or above the best marketable age (i.e. 80-day-old)⁶ as at 28 January 2014 to local chicken farmers for meeting their operational expenses and alleviation of their financial hardship during the closure of the wholesale market and suspension of trading activities. The local chicken farms could not sell their chickens for 21 days since the wholesale market was declared as an infected place. When trading activities resume on 19 February 2014, around 289 100 chickens⁷ on farms would have grown beyond the best marketable age. While these chickens could be sold through the normal sale channels starting from 19 February 2014, they will likely fetch a lower market price, after passage of the Lunar New Year peak season. Moreover, these live chickens (which should have been sold before or around the Lunar New Year) would have to be kept under satisfactory conditions with food for an extra 21-day period while trade is suspended. These local farmers thus would face considerable financial hardship during the trade suspension period.

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⁴ Live chickens fetch the highest price in this period of the year. In the Lunar New Year period in 2013, for example, the wholesale price of live chickens (\$41.2 per catty) was two folds of the yearly average (\$20.9 per catty).

⁵ The average daily supply of local chickens in December 2013 was 10 067, relative to the average daily supply of 12 285 in December 2012. This represented an 18% decrease in sale.

⁶ Farmers and traders usually refer to chicken age in a 10-day-range. We therefore propose to adopt 80-89 days old as the range of best marketable age, and set the marker at 80-day-old.

⁷ AFCD keeps a log sheet on the age profile of chickens in all local chicken farms.

13. We also propose lump-sum EGPs to wholesalers, retailers, transport operators and self-employed workers at the wholesale market to help alleviate the financial hardship caused by the suspension of trade during the Lunar New Year peak, including paying wages to their workers and other additional prior commitments especially incurred in the Lunar New Year season.

14. The proposed EGP package is formulated with reference to those approved by the Finance Committee (FC) on 1 June 2001 (FCR(2001-02)10) (the 2001 package), on 26 March 2004 (FCR(2003-04)67) (the 2004 package) and on 4 July 2008 (FCR(2008-09)39) (the 2008 package), taking into account the unique circumstances of the present case, which took place in the immediate run-up to the Lunar New Year.

Additional Relief Measures

15. Since the wholesalers, retailers and transport operators have to suspend their business operation during the closure of the wholesale market, we propose to offer a waiver of one-month rental for –

- (a) poultry market stalls in markets managed by the Food and Environmental Hygiene Department (FEHD) (inclusive of rates and air-conditioning charges);
- (b) stalls and ancillary facilities in the wholesale market and vehicle parking spaces (inclusive of rates) of tenants of these stalls; and
- (c) vehicle parking spaces in the wholesale market (inclusive of rates) of poultry transport operators.

The Housing Authority (HA) would also consider waiving the rent, the rates and air-conditioning charges for affected poultry stalls in their markets, subject to the approval of the Commercial Properties Committee under the HA.

SUMMARY OF THE PROPOSED PACKAGE

16. The following is a summary of the proposed financial assistance available to various groups of live poultry operators –

/Parties

	Parties affected	Compensation, Ex-gratia Payments and Other Relief Measures
Encl. 2	Chicken farmers	- EGP at \$30 per bird for broiler chickens at or over the age of 80 days old as at 28 January 2014 as set out at Enclosure 2.
Encl. 3	Live poultry wholesalers	- Statutory compensation of \$30 for each bird slaughtered as set out at Enclosure 3;
Encl. 4		- Waiver of one-month rental for market stalls, ancillary facilities and vehicle parking spaces in wholesale market covering the closure period of the wholesale market; and
		- Lump-sum EGP of \$30,000 as set out at Enclosure 4.
	Live poultry retailers	- Waiver of one-month rental of market stalls of FEHD and of HA (the latter is subject to HA's consideration); and
		- Lump-sum EGP of <ul style="list-style-type: none"> • \$20,000 per retailer at FEHD or HA markets • \$40,000 per licensee for fresh provision shop (FPS) with permission to sell live poultry on private premises as set out at Enclosure 4.
	Live poultry transport operators	- Waiver of one-month rental for vehicle parking spaces in wholesale market covering the closure period of wholesale market; and
		- Lump-sum EGP of \$20,000 as set out at Enclosure 4.
	Self-employed workers at the wholesale market	- Lump-sum EGP of \$7,000 as set out at Enclosure 4.

/MECHANISM

MECHANISM TO ENSURE EMPLOYERS DISCHARGE THEIR RESPONSIBILITIES

17. We are also aware that workers, apart from the operators, in the trade may also be affected in one way or another. As a matter of principle, the Government considers that it is the responsibility of an employer to meet his obligations to his workers. Furthermore, the employer has a legal responsibility to pay workers still in his employment or to pay any laid off employees the wages and other benefits provided for under the Employment Ordinance and the employment contract. The Comprehensive Social Security Assistance Scheme provides a further safety net. We expect employers in the live poultry trade to discharge their responsibilities to their employees having regard to the EGPs made available under the proposed package.

18. As with the previous arrangements, the role of the Government is to encourage employers to fulfil their obligations to their employees without interfering in any employer-employee relationship. Thus, we propose to retain 20% of the EGPs until the employers have discharged their responsibilities towards the employees. The retained portion of the EGPs would be paid to the chicken farmers, wholesalers, retailers and transport operators concerned if they satisfy either of the following conditions –

- (a) no labour claim associated with this proposal has been lodged with the Labour Department by their employees within 30 days after approval of this proposal by the FC; or
- (b) in case there is a labour claim lodged within the period mentioned in (a) above –
 - (i) the worker does not pursue the claim further within 30 days after lodging the claim; or
 - (ii) the claim has been resolved.

FINANCIAL IMPLICATIONS

19. The total amount required for paying compensation and EGPs to chicken farmers, wholesalers, retailers, transport operators and self-employed workers at the wholesale market under the proposed package is estimated to be about \$17.7 million, broken down as follows –

/Items

Items	\$'000	\$'000
Statutory compensation to wholesalers for culling of birds by order of DAFC	679	679
EGP to chicken farmers for chickens at or over the best marketable age	8,673	8,673
Lump-sum EGP		6,740
- Wholesalers	630	
- Retailers	3,500	
- Transport operators	2,400	
- Self-employed workers at the wholesale market	210	
Contingency (10%)	1,609	1,609
Total	-	17,701

The revenue loss to Government as a result of the rental waivers to the wholesalers, retailers and transport operators is around \$630,000, i.e. \$213,690 for the wholesale market and \$416,079 for market stalls under FEHD and FPS under HA. Enclosure 5 gives the breakdown. The eligibility criteria governing the payment of EGPs to the affected parties are at Enclosure 6.

Encl. 5
Encl. 6

PUBLIC CONSULTATION

20. On 28 January 2014, shortly after the announcement of the detection of H7 AI virus in a consignment of imported poultry, we met with representatives of the trade. They requested compensation and EGPs, and a separate holding area for imported poultry awaiting testing results in the medium term.

21. At the Food Safety and Environmental Hygiene Panel (FSEH Panel) meeting held on 29 January 2014, the Secretary for Food and Health (SFH) stated that the Administration would pursue the following measures –

- (a) as short-term relief, examine the case for alleviating the financial hardship caused by the suspension of live poultry operations to the trade;
- (b) as a relief measure for the medium term, explore a separate holding area for imported poultry before AI testing results are available, such that it may create room for us to keep live poultry trading activities at the Cheung Sha Wan wholesale market in operation even when individual consignments of live poultry in the holding area are tested positive to the H7N9 virus; and

/(c)

- (c) looking ahead, engage the public in addressing the question of whether or not we should, in present-day circumstances, keep the consumption of live poultry as part of our culinary culture, having regard to the AI risks posed by the selling of live poultry in Hong Kong, and the cost to society.

22. Legislative Council Members attending the FSEH Panel meeting also passed a motion to request the Government to offer compensation to relevant parties in respect of this AI incident, as well as providing other appropriate support to them.

23. We have informed the FSEH Panel of the proposed compensation and EGPs package on 14 February 2014.

IMPLEMENTATION PLAN

24. Subject to the funding approval by FC, we will provide the proposed financial assistance to those affected immediately.

25. In the long run, we should consider on grounds of public health whether Hong Kong, being a place with scarce land resources and a densely populated city, should continue to allow the trading of live poultry (a practice that entails close contact between humans and live poultry). The Government would consider engaging a consultant to study and make recommendation in this regard.

BACKGROUND

26. H5N1 highly pathogenic AI viruses have been circulating in Southeast Asia and detected in Hong Kong in poultry and/or wild birds every year from 1997. Since the first AI outbreak hit Hong Kong in 1997, the Administration has in the course of time implemented a series of preventive and control measures at the farm, wholesale, retail and import levels.

27. On 31 March 2013, the National Health and Family Planning Commission of Mainland China notified WHO of the first three confirmed human cases of Influenza A (H7N9). As of 5 February 2014, over 300 human cases of avian influenza A (H7N9) have been confirmed in the Mainland, including 54 cases in Guangdong.

28. Since the occurrence of H7N9 AI cases in the Mainland last year, Hong Kong has been on high alert. Since 11 April 2013, we have conducted H7 tests on imported live poultry at the boundary control point. As of 31 December 2013, about 13 350 samples have been tested and they were all tested negative for H5 and H7 AI viruses. With the consensus of the Mainland authorities, we have since 24 January 2014 further implemented H7 serological testing to strengthen our capability in background monitoring and provide early warning for AI.

29. On 27 January 2014, a number of samples from a batch of live chickens imported from a registered poultry farm in Foshan, Guangdong tested PCR positive to H7N9. SFH had immediately chaired a meeting of the Steering Committee on Serious Response Level under the Preparedness Plan for Influenza Pandemic. The meeting decided to adopt a series of contingency measures to prevent the virus from spreading in the community and safeguard public health in accordance with the Preparedness Plan for Influenza Pandemic on the Serious Response Level.

30. Accordingly, the AFCD has declared the Cheung Sha Wan Temporary Wholesale Poultry Market as an infected place. All of the some 22 604 live poultry involved were culled on 28 January 2014. The market would be closed for 21 days until 18 February 2014 for thorough disinfection and cleansing. Trading of live poultry (including Mainland and local live poultry) would be suspended. During the closure of the wholesale poultry market, local chicken farms would be temporarily banned from supplying live chickens to the market. AFCD officers would inspect all the local chicken farms and collect more samples for testing to ensure that local farms are not affected by H7 AI.

31. The Government appreciates that the above culling actions and the temporary suspension of the wholesale market has brought inconvenience to the public and have impacted on the livelihood of the workers in the live poultry trade, especially at a time so close to the Lunar New Year. Since the H7N9 virus is highly pathogenic to human beings, we are duty bound to take swift measures to prevent its spread in the community. The Government has undertaken to carefully assess the impact of the incident on the live poultry trade and their workers. We would also explore the feasibility of the separate holding of imported and local live poultry before the AI testing results are available.

32. Over the past years, the Government and the local live poultry industry, as well as the Mainland inspection and quarantine authorities and the farms supplying Hong Kong, have collectively built up a resilient and stringent system for the prevention and control of AI to keep the AI risks in Hong Kong to the lowest level possible. However, there is no surveillance system that can attain zero risk. Occasionally we would still encounter AI cases, which may pose threats to public health, exert impacts on the community including the poultry trade and bring anxiety and worries to citizens, at a considerable cost to society as a whole. In the long run, we should consider, on public health grounds, whether Hong Kong, being a place with scarce land resources and a densely populated city, should continue to allow the trading of live poultry (a practice that entails close contact between humans and live poultry).

Food and Health Bureau
February 2014

Preventive and Control Measures against Avian Influenza

H5N1 highly pathogenic Avian Influenza (HPAI) viruses have been circulating in Southeast Asia and detected in Hong Kong in poultry and/or wild birds almost every year from 1997. Since the first avian influenza (AI) outbreak hit Hong Kong in 1997, the Administration has implemented a series of preventive and control measures at the farm, wholesale, retail and import levels. The risk of AI outbreaks in Hong Kong has since been kept under control. There has been no locally acquired case of human infection with H5N1 viruses in Hong Kong since 1997.

2. The preventive and control measures that have been put in place in relation to poultry over the years are recapitulated as follows –

(a) **surveillance and monitoring –**

Comprehensive surveillance and monitoring are put in place at all levels of the live poultry supply chain (including farms, the wholesale poultry market, retail outlets and the import level), pet bird shops, recreational parks and the wild bird environment including wild bird parks to ensure early detection of abnormalities;

(b) **maintaining the operational landscape of the live poultry trade –**

To reduce the likelihood of human contact with live poultry, the Government introduced a voluntary surrender scheme and a buyout scheme for poultry retailers, wholesalers, transporters and farmers in 2004/05 and 2008 respectively. As a result, the number of retail outlets reduced from over 800 prior to the introduction of the first voluntary surrender scheme to 132 at present, wholesalers down from 87 to 23, and poultry farms from 192 to 30. The total licensed rearing capacity of poultry farms in Hong Kong has also been reduced from 3.9 million in 2005 to about 1.3 million at present. This has contributed to containing the chicken population in Hong Kong at a steady level;

/(c)

(c) **mandatory vaccination programme for chickens –**

In 2003, a mandatory vaccination programme was introduced, under which all chickens in local chicken farms must be vaccinated against H5 AI virus. An agreement has also been reached with the Mainland to vaccinate all chickens in registered Mainland farms for export to Hong Kong starting from 2004. Moreover, we have been closely monitoring the development of up-to-date vaccines for timely introduction to both local and imported live chickens;

(d) **regulation of local farms including the enforcement of biosecurity measures –**

In view of possible transmission of H5N1 virus from wild birds and migratory birds to local poultry, all local farms are required to install bird-proof facilities. Local farms are also required to place sentinel chickens (i.e. unvaccinated chickens) in each batch of vaccinated chickens for the purpose of detecting infection. Through monitoring the health conditions of the sentinels together with testing on both antibody level and any shedding of AI virus of vaccinated and sentinel chickens, we keep the effectiveness of the vaccine in protecting the chickens under regular review;

(e) **ban on the keeping of backyard poultry –**

In 2006, amendments were made to the relevant legislation to prohibit the keeping of poultry at backyards of domestic households. Since then, the Agriculture, Fisheries and Conservation Department (AFCD) and the Environmental Protection Department have been carrying out enforcement actions to ensure that no illegal backyard poultry are kept;

(f) **stringent hygiene requirements and inspection in the wholesale market and retail outlets –**

Thorough cleansing and disinfection of the venue, transport cages and vehicles are required of the wholesalers, transporters and retailers. Inspection or additional cleansing would be conducted by the venue management where necessary. Faecal, environmental swab and drinking water samples are also collected from the wholesale market and retail outlets for AI testing;

(g)

(g) **segregation policy –**

As waterfowls (e.g. ducks and geese) are natural carriers of AI viruses, they are prohibited from sale in live form in retail outlets since 1998 to prevent the mixing of different types of AI viruses which may result in reassortment into deadly viruses. In addition, quails are prohibited from sale at retail markets;

(h) **prohibition of overnight stocking of live poultry at all retail outlets –**

Since 2008, the Government has introduced a ban on overnight stocking of live poultry at retail outlets, requiring that all live poultry at market stalls and fresh provision shops with permission to sell live chickens must be slaughtered by the end of their daily operation;

(i) **import control –**

All imported poultry from the Mainland must be sourced from registered farms recognised by the Mainland authorities. These farms are subject to regular inspections by the relevant entry-exit inspection and quarantine authorities (CIQs) and the Food and Environmental Hygiene Department (FEHD) to ensure compliance with the prescribed AI control requirements. A health certificate must accompany each consignment of imported poultry. Other import control measures include inspection of every consignment of imported poultry, AI testing on imported poultry, dead and sick bird monitoring and random screening tests of infection as appropriate;

(j) **combating smuggling of live poultry or raw poultry meat –**

Joint-departmental operations are conducted to combat the smuggling of live poultry or raw poultry meat across the boundary; and

(k) **Zonal Approach Policy –**

In 2008, we agreed with the Mainland authorities the adoption of a zonal approach policy to institutionalise the suspension of import of live poultry and poultry products from Guangdong Province if there is any confirmed HPAI outbreak in the province. For provinces outside Guangdong where there is no export of live poultry to Hong Kong, we have agreed with the Mainland authorities in September 2012 that similar suspension arrangement would be adopted if there is any HPAI poultry outbreak in these provinces.

3. Moreover, in relation to human infection of AI, the Department of Health maintains vigilance and will continue its effective strategies of real-time surveillance, rapid intervention and risk communication.

Enhanced Measures against H7N9 AI

4. Since the outbreak of H7N9 AI in the Mainland, the Administration has been maintaining close liaison with the General Administration of Quality Supervision, Inspection and Quarantine and the relevant CIQs in the Mainland to assess the development of the outbreak and discuss the response measures required to ensure the safety of live poultry and poultry products supplied to Hong Kong and to safeguard public health. On top of the safeguards already in place and the various on-going monitoring measures as set out above, we have stepped up surveillance against H7N9 and other preventive measures as elaborated in the ensuing paragraphs –

Local Poultry Farms

- (a) AFCD has stepped up environmental surveillance at local poultry farms. The department selects nine farms per month at random and has increased the number of environmental samples collected by 10%;
- (b) Starting from 20 May 2013, AFCD collects tissue swabs from local chickens for rapid test (i.e. PCR test) for influenza A virus, covering both H5 and H7 viruses;
- (c) Starting from 24 January 2014, serological test has been introduced to local poultry farms in Hong Kong;

Man Kam To Animal Inspection Station

- (d) The Centre of Food Safety (CFS) of FEHD strengthens inspection to live poultry consignments from the Mainland, and validates the health certificates of these consignments;
- (e) Starting from 11 April 2013, CFS collects tissue swabs from 30 poultry in each consignment for rapid test (i.e. PCR test) for influenza A virus, covering both H5 and H7 viruses;
- (f) Starting from 24 January 2014, Hong Kong and the Mainland conduct serological test for H7 AI on live poultry at Mainland registered farms and the Man Kam To Animal Inspection Station;

/Poultry

Poultry Wholesale Market

- (g) AFCD has constructed new facilities to hold leftover local chickens, imported chickens and minor poultry separately to minimise cross-infection. The stocking area is cleaned every hour and the market floor is disinfected twice every week;
- (h) CFS has increased the frequency of collecting environmental swabs to four times a month and the number of sampling spots to 288 per month at the poultry wholesale market;
- (i) AFCD has stepped up regular and surprise checks on adherence to the biosecurity requirements at the poultry wholesale market by wholesalers and their workers, such as cleansing and disinfection of poultry holding cages;

Live Poultry Retail Outlets

- (j) FEHD has stepped up inspections to public market stalls and fresh provision shops selling live poultry to once a week, and demands strict compliance with the requirement of no overnight stocking of live poultry at retail outlets;
- (k) Apart from the cleansing of public areas of public markets three times a day by the cleansing contractors, live poultry stall operators have been required to cleanse their stalls after the close of business every day, followed by further cleansing and disinfection by the market cleansing contractors;
- (l) FEHD has commissioned the University of Hong Kong to collect faecal and drinking water samples from selected live poultry retail outlets for testing of AI. The number of samples has been increased to a total of 326 per month;

Others

- (m) In addition to routine street cleansing service, FEHD has stepped up inspection, cleansing and disinfection with diluted bleach at public places where wild birds gather. Stringent enforcement actions against feeding of wild birds causing dirtiness to public places have also been taken; and
- (n) We have also been calling on all poultry workers in Hong Kong to observe good personal hygiene and receive the free seasonal influenza vaccination.

Enclosure 2 to FCR(2013-14)61

Ex-gratia Payment for Farm Chickens at or over the Best Marketable Age

	Ex-gratia Payment (\$)
EGP of \$30 per bird at or above the best marketable age (i.e. 80-day-old) as at 28 January 2014 to local chicken farmers.	8,673,000

There is estimated to be 289 100 broiler chickens at farms at or above the best marketable age as at 28 January 2014, and the ex-gratia payment is set at **\$30 per chicken**.

Compensation for Slaughtered Birds

A. Schedule of rates

Type of bird	Unit Rate (\$)
Chicken (Local/Mainland)	30
Pheasant	30
Pigeon	30
Silky fowl	30

B. Compensation for birds slaughtered

Type of bird	No. of birds slaughtered	Compensation (\$)
Chicken (Local)	5,112	153,360
Chicken (Mainland)	11,872	356,160
Pheasant	1,080	32,400
Pigeon	1,642	49,260
Silky fowl	2,898	86,940
Total	22,604	678,120

Enclosure 4 to FCR(2013-14)61

Lump-sum Ex-gratia Payments to Affected Operators

Operators affected	Number of stalls/licences/tenants /lorries/workers	Unit rate \$'000	Ex-gratia Payment \$'000
Poultry wholesalers (per stall)	21 ^{Note}	30	630
Poultry transport operators (per lorry)	120	20	2,400
Self-employed Workers at Cheung Sha Wan Temporary Wholesale Poultry Market (per person)	30	7	210
Live poultry retailers at Food and Environmental Hygiene Department (FEHD)'s public markets and Housing Authority (HA)'s markets (i.e. 86 FEHD stalls + 3 HA's fresh provision shops) (per stall/licence)	89	20	1,780
Live poultry retailers at fresh provision shops in private premises, including those under LINK (per licence)	43	40	1,720
Total	303	-	6,740

^{Note} Of the 23 live poultry stalls at the Cheung Sha Wan Temporary Wholesale Poultry Market, two did not have any throughput during the 3-month period immediately before 27 January 2014.

Enclosure 5 to FCR(2013-14)61

**Rental Waiver
in the Cheung Sha Wan Temporary Wholesale Poultry Market**

Market facility	Types of stall	Area of unit (m²)	No. of units leased out	Existing monthly rent (\$) (unit)	Total monthly rent (\$)
Stall	A	18.6	11	2,380	26,180
	T	20	7	6,670	46,690
	B	278.6	3	27,750	83,250
	B11a	139.3	1	13,950	13,950
	B12a	27.9	1	2,800	2,800
Trade office	A1	18.6	1	2,380	2,380
	A55	5.8	1	765	765
	B12b	27.9	1	2,800	2,800
Lorry Park	Monthly	18	45	775	34,875
Total monthly revenue forgone			71	-	213,690

**Rental waiver in retail outlets
under Food and Environmental Hygiene Department and Housing Authority**

Operators affected	No. of tenants/ licences	Amount
Live poultry retailers at FEHD public markets	86	\$396,429
Fresh Provision Shops at HA markets	3	\$19,650
Total monthly revenue forgone	89	\$416,079

Eligibility Criteria for Applicants for Ex-gratia Payments

The applicant must belong to one of the following categories –

- A holder of a valid livestock keeping licence whose farm is in active operation as at 27 January 2014.
- A tenant of an operating live poultry stall in the Cheung Sha Wan Temporary Wholesale Poultry Market (the wholesale market) as at 27 January 2014.
- A tenant of a live poultry stall in Food and Environmental Hygiene Department's public market as at 27 January 2014.
- A licensee of a licensed fresh provision shop with permission to sell live poultry in Housing Authority's market or private premises as at 27 January 2014.
- A tenant of a car parking space in the the wholesale market as at 27 January 2014.
- An owner of a vehicle in active commercial operation in live poultry delivery during the 3-month period immediately before 27 January 2014.
- A wholesale market self-employed worker who is engaged in providing either loading and unloading services, or cage washing services to –
 - (i) Tenant(s) of live poultry stall(s) or car parking space(s) in the wholesale market, who is (are) eligible for receiving the EGP and has (have) applied for the same; or
 - (ii) Owner(s) of vehicles other than Tenant(s) of car parking space(s) in the wholesale market for transporting live poultry based on the records kept by the Agriculture, Fisheries and Conservation Department who is (are) eligible for the EGP and has (have) applied for the same,

for at least 90 days during the one-year period immediately before 27 January 2014 and has remained working in the wholesale market.

/Declaration

Declaration on self-employment status

The affected wholesale market workers who are self-employed will be required to show documentary evidence from local chicken farms, wholesale stalls, retail stalls or transporters that have purchased their services to the satisfaction of the approving authority. The applicant concerned will be held responsible for any legal consequences for false declaration and may be liable to prosecution.
