

**Supplementary Information on
FCR(2013-14)61: Head 22 – Agriculture, Fisheries and Conservation Department
for the Finance Committee Meeting on 21 February 2014**

At its special meeting on 19 February 2014, the Panel on Food Safety and Environmental Hygiene (the Panel) of the Legislative Council (the LegCo) discussed the proposed compensation and ex-gratia payments to poultry operators affected by avian influenza (AI). As requested by the Panel Chairman and the Members present, we write to set out supplementary information on the Finance Committee Agenda Item in response to the issues raised at the special meeting.

Statutory compensation

2. Under the Public Health (Animals and Birds) Ordinance (Cap. 139), the Government has to make statutory compensation to owners for the birds slaughtered by order of the Director of Agriculture, Fisheries and Conservation (DAFC). According to the Ordinance, the value of a bird slaughtered shall be determined by DAFC but shall not exceed \$30 per bird. When introducing the buyout package for the live poultry trade in 2008, the Government made it clear to the LegCo and the trade that those who chose to stay in the live poultry trade had to bear the risks of any further AI incidents. In the event of future outbreaks of AI where poultry had to be slaughtered in accordance with the law, only statutory compensation (i.e. a maximum of \$30 per bird slaughtered) would be provided to those affected. Whilst we have no plan at this stage to amend the relevant legislative provisions, we stand ready to listen to the views from different quarters of the community.

Suspension of import of live poultry for four months

3. The closure order of the Cheung Sha Wan Temporary Wholesale Poultry Market (the wholesale market) came to an end on 18 February 2014. The wholesale market resumed operation on 19 February 2014. In response to the request from the general public and the poultry trade, the Government is actively considering the segregation of imported and local live poultry and in the process of identifying suitable sites for holding the imported poultry until the AI testing results are available prior to their being delivered to the wholesale market. As the establishment of such facilities takes time, the Government has decided to

suspend the import of live poultry intended to be slaughtered for consumption. The import of day-old chicks as well as chilled or frozen poultry products will not be affected. We will review the progress of the relevant actions in around four months' time, and discuss with the relevant Mainland authorities again the arrangements on live poultry supply to Hong Kong.

4. Over the past decade or so, the Government and the local poultry industry, as well as the Mainland inspection and quarantine authorities and the farms supplying Hong Kong, have collaboratively built up a resilient and stringent system for the surveillance and control of AI, for the purpose of reducing the AI risks in Hong Kong. All live poultry supplied to Hong Kong markets, whether locally reared or imported poultry, are subject to stringent inspection and quarantine procedures. Health certificates will be issued only if the testing results are satisfactory. After the live poultry have entered Hong Kong, the Centre for Food Safety of the Food and Environmental Hygiene Department will collect tissue and blood samples from the live poultry at the Man Kam To Animal Inspection Station and pass the samples to AFCD's Veterinary Laboratory for testing. This serves as an added safeguard to reduce the risk of infected birds entering the local retail markets.

5. Currently, there is only one wholesale poultry market in Hong Kong (i.e. the Cheung Sha Wan Temporary Wholesale Poultry Market). After samples have been taken at the Man Kam To Animal Inspection Station, the imported live poultry will be delivered directly to the wholesale market pending the testing results. They will be released for the retail outlets only after the testing results are confirmed satisfactory. This arrangement has been working well for more than a decade and has been effective in safeguarding public health and animal health in Hong Kong. The detection of positive H7 AI samples in imported live poultry in the recent case demonstrates that the testing system has achieved its intended function of reducing the risk of infected birds entering our retail markets. The current mechanism is effective in performing its gate-keeping role for protecting public health.

6. In the wake of the latest AI incident, many people in Hong Kong, LegCo Members as well as stakeholders in the poultry trade have urged for the segregation of imported and local live poultry and for finding a suitable location for holding the imported poultry until the AI testing results are available, prior to their delivery to the wholesale market. We appreciate the reasons underlying the concerns expressed by the general public

and the industry, in particular their observations about the necessity to close the wholesale market for 21 days for thorough cleansing and disinfection when imported live poultry samples are tested positive for AI. This would significantly disrupt the operation of the local live poultry trade and the supply of live poultry in Hong Kong. The New Territories Chicken Breeders Association has applied to the Court for a judicial review of whether the Government's decision of permitting imported live poultry to be delivered to the wholesale market while awaiting the testing results is reasonable. The case is pending hearing in the Court.

7. In response to the request of the public and the poultry industry, the Government has, in the past three weeks, been actively looking for appropriate sites for housing imported live poultry until the testing results are available, prior to their being delivered to the wholesale market. In the process, the Government has to take into account the planning and usage of land, the basic facilities required for temporary holding of live poultry, the impact of this arrangement on the neighbouring environment and community (including the presence of chicken farms nearby), and the lead time for preparation etc. As the deliberation process and establishment of such facilities takes time, we were not able to finalise the arrangements before 19 February when the wholesale market was reopened, hence the decision to suspend the import of live poultry.

8. In the coming few months, we will seek to make a definite decision on the establishment of facilities for holding imported live poultry and embark on the requisite construction works. In parallel, we will explore other feasible alternatives pending the availability of the relevant facilities. These measures are taken mainly for the purpose of ensuring the supply of live poultry as far as possible and reducing the impact on the industry that may arise from the implementation of contingency measures to contain AI cases.

Impact of suspension of the import of live poultry on poultry trade operators

9. The Government appreciates that the above measures will have impact on the livelihood of some poultry trade operators, especially those who are engaged solely in the business of importing live poultry from the Mainland (including wholesalers, retailers, transport operators and self-employed workers at the wholesale market). The Government

will assess the impact of the arrangement on the industry and its workers and consider whether there is any case for providing ex-gratia payments or other assistance to them.

10. The relevant Government departments will move full steam ahead in the interest of securing early promulgation of the facilities for holding imported live poultry or other alternatives, with a view to mitigating the impact of the AI contingency measures on the supply of live poultry and the industry itself.

Food and Health Bureau
21 February 2014