



中華人民共和國香港特別行政區政府總部衛生福利及食物局
Health, Welfare and Food Bureau
Government Secretariat, Government of the Hong Kong Special Administrative Region
The People's Republic of China

本函檔號 Our ref.:
來函檔號 Your ref.:

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5 July 2005

Chairman and Members
of the LegCo Panel on Food Safety
and Environmental Hygiene
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Chairman and Members,

**Surrender of Licences / Tenancies
by Live Poultry Farmers, Wholesalers and Transporters**

On 14 June 2005, Members expressed their concerns about the proposed package for providing ex-gratia payment (EGP) to those live poultry farmers, wholesalers and transporters who choose to surrender their licences/tenancies and to cease operation on a permanent basis. A motion was also passed by Members by four votes to three to reject the proposed funding request and to urge the Government to formulate a sustainable policy on agriculture to ensure the continuous operation of the live poultry industry.

Taking into account Members' wish to further enhance the package, further discussions and negotiations with the live poultry trade were being conducted with a view to coming up with a revised package which would better address the concerns of the trade. This morning, the Executive Council approved a more enhanced package. In particular, the Executive Council approved to :-

- (a) increase in EGP for chicken and pigeon farms by \$150,000 and \$50,000 per farm respectively to account for their investment in biosecurity facilities as specified in the licencing conditions;
- (b) set the maximum licensing capacity of local poultry farms at a level of 2 million (instead of the earlier announced ceiling of 1.85 million); and
- (c) maintain the existing level of support to the poultry farmers remaining in operation in terms of loans for the upgrading of biosecurity measures and other forms of technical assistance.

As a result of the EGP enhancement, the minimum EGP payable to chicken farms would be increased from \$300,000 to \$450,000 per farm. In addition, the maximum EGP ceiling for poultry farms would be increased from \$4 million to \$4.15 million per farm. I attach a copy of the paper on the latest enhancements made to the package for your information.

Ideally, we would very much wish to revert to this Panel to consult Members on the enhanced package before we submit the funding proposal to the Finance Committee for approval. However, time constraint has not enabled us to do so.

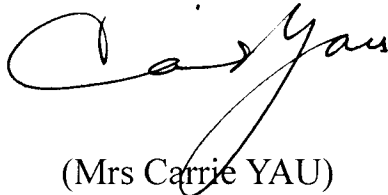
Experts from the World Health Organization (WHO) and the World Organization for Animal Health (OIE) have expressed the need to take immediate action. As Dr. Shigeru Omi of WHO said at an United Nations conference on avian influenza currently being held in Kuala Lumpur, “we are at the tipping point. Either we ... reverse this trend or things will get out of hand, We must have an all-out war against this virus.” The OIE Regional Representative also advised at the same conference that countries must tighten regulations in the production, transport and marketing of poultry and poultry products, especially since live bird markets in Asia have played a role in the spread of virus to humans.

There is, therefore, an urgent need to implement the proposed voluntary surrender scheme as soon as possible so as to further reduce the risk of avian influenza outbreaks before the coming of the high risk winter season. Given the imminent LegCo recess and the need to avoid further delay in the implementation of the proposal, we have no choice but to put in a late submission for funding approval at the last meeting of the Finance Committee in the current legislative session on **8 July**.

We have tried to balance the needs to protect the community against the threat of avian influenza and the needs of the live poultry trade, and we hope that the enhanced package would meet the concerns of Members. If you have any questions on our proposal, please feel free to contact me or Mr. Eddy CHAN (Tel: 2973 8122) or Ms Vivian Ko (Tel: 2973 8232).

We look forward to your support!

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Carrie Yau". The signature is fluid and cursive, with a large loop at the end of the name.

(Mrs Carrie YAU)

Permanent Secretary for Health, Welfare and Food

Encl.

c.c. Members of the LegCo Finance Committee