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Panel on Food Safety and Environmental Hygiene

**Background brief prepared by Legislative Council Secretariat
for the meeting on 11 March 2008**

Live pig supply and Sheung Shui Slaughterhouse

Purpose

This paper provides background information on live pig supply and the operation of slaughterhouses in Hong Kong. It also gives an account of recent discussions of the Panel on Food Safety and Environmental Hygiene (the Panel) on these subject matters.

Background

Pork supply to Hong Kong

2. There are three types of pork available in the market, namely pork from freshly slaughtered pigs, frozen pork and chilled pork. In 2006, a total of 1.96 million live pigs (about 5 430 live pigs every day), 174 265 tonnes of frozen pork and 4 620 tonnes of chilled pork were consumed. The market shares of live pigs, frozen pork and chilled pork are 30%, 66% and 4% respectively.

3. Hong Kong has set no restrictions on the origins of live pig supply. Provided that the hygiene and quarantine requirements are met, import of live pigs from any place is allowed into Hong Kong. Before 1988, Hong Kong imported live pigs from places including the Mainland, Malaysia, Taiwan and Thailand. In recent years, over 80% of the total supply of live pigs comes from the Mainland. As at 2006, there are a total of 430 000 live pigs in local pig farms, which accounts for about 20% of supply in the market.

Slaughterhouses in Hong Kong

4. At present, there are three licensed slaughterhouses located in Sheung Shui, Tsuen Wan and Cheung Chau. The slaughterhouse in Sheung Shui (SSSH) is publicly-owned and operated by Ng Fung Hong while the slaughterhouse in Tsuen Wan is privately-owned and operated by a company with investment also from Ng

Fung Hong. The third slaughterhouse, which is in Cheung Chau, is publicly-owned and operated by Cheung Chau Meat Merchant Association. The Food and Environmental Hygiene Department (FEHD) is responsible for ensuring that operations in slaughterhouses meet the required environmental hygiene standards.

5. Under section 5 of Slaughterhouses Regulation ("the Regulation") (Cap. 132BU), slaughtering of food animals for human consumption should be conducted in a licensed slaughterhouse. As stipulated in the Regulation, any person who intends to operate a slaughterhouse must obtain a slaughterhouse licence issued by FEHD. The Regulation further stipulates that any person who requires slaughterhouse services or desires to use the facilities of a licensed slaughterhouse for the purpose of slaughtering shall write to the licensee. Unless there is insufficient accommodation available for food animals in the licensed slaughterhouse, the licensee cannot decline to offer slaughterhouse services or the use of facilities for slaughtering food animals. The licensee is also not allowed to refuse admission of a food animal solely on account of its place of origin.

Recent discussions of the Panel

Feasibility of centralizing pig slaughtering at SSSH

6. The Panel received a briefing on the Administration's control measures taken to address environmental nuisances caused by the operation of the Tsuen Wan Slaughterhouse (TWSH) and the results of the architectural study on the feasibility of centralizing pig slaughtering in Hong Kong at its meeting on 8 May 2007.

7. Members noted that the Architectural Services Department had engaged a consultant to examine the feasibility of modifying SSSH and increase its slaughtering throughput of pigs to enable centralizing pig slaughter there. According to the findings of the consultancy report, the capacity of the existing SSSH site was unable to cater for the total daily pig slaughtering throughput if slaughtering was to be centralized there, unless expansion work beyond the confines of the existing site boundary was done. The Administration advised that it would need to proceed to the next stage of study to further assess the feasibility of adding new lairage building and supporting building outside the site boundary. The Administration undertook to revert to the Panel when a policy view was taken.

8. Most Members including Mr Fred LI, Mrs Selina CHOW, Mr WONG Yung-kan and Mr WONG Kwok-hing considered that relocation of TWSH to another site would be a long-term solution to solve the environmental nuisance caused by TWSH. Mrs Selina CHOW and Mr WONG Kwok-hing criticized the Administration for having made a mistake in town planning by approving the development of a residential development at the vicinity of TWSH.

9. As regards the issue of relocating TWSH, the Administration explained that TWSH was owned and operated by a private company and the lease did not provide for its early termination by the Administration. The Administration would take into consideration the findings of the feasibility study of centralizing slaughtering of livestock in SSSH and some other factors including the likely financial requirements arising from the closure of TWSH before the expiry of land lease in 2047, the construction costs of building an additional new lairage building and supporting building in SSSH and the strategic risk of using a single slaughterhouse to supply fresh meat in Hong Kong, etc.

10. Mr Fred LI pointed out that the proposal for relocating TWSH had been fully deliberated by the two former municipal councils which had held the view that a second slaughterhouse should be retained to safeguard against unforeseen situations and to ensure stable supply of fresh meat.

11. The Administration advised that it did not have any plan to change the existing policy of using more than one slaughterhouse to supply fresh meat in Hong Kong. When considering whether there was a need to review this policy, the Administration would take into account the outcome of the study of assessing the feasibility of centralizing slaughtering livestock in SSSH.

Stabilizing live pig market in Hong Kong

12. In the light of the public's concern over the supply shortage of live pigs from the Mainland, the Panel held a meeting with the Administration and deputations on 10 July 2007 to discuss live pig supply in Hong Kong. Members shared the view of most of the deputations that more agents should be introduced for Mainland live pig supply to Hong Kong in order to stabilize the supply. They also expressed support for the proposal of setting up an "agricultural test base" scheme on the Mainland allowing Hong Kong pig farmers to continue their operation there and export their produce to Hong Kong. Mr WONG Kwok-hing considered that the proposal would stabilize live pig supply and the price level.

13. The Administration explained that the export quota control over live pigs supplied to Hong Kong and the sole agency system for live pig export was a decision of the Ministry of Commerce (MoC) made in accordance with the Mainland's economic and trade policies. However, in the light of the public's concern over the recent shortage of live pig supply in Hong Kong, the Administration would liaise with relevant Mainland authorities on the feasibility of opening up the market. The Administration stressed that it was open-minded about the issue.

14. On the proposal of designating a zone on the Mainland for Hong Kong pig farmers to set up pig farms, the Administration advised that it had discussed the issue with MoC several times in 2006 and MoC had agreed to give serious consideration to the proposal.

15. Noting that some deputations held the view that the shortage of live pig supply in Hong Kong was mainly due to the introduction of the scheme for the voluntary surrender of live pig farm licences by the Administration, Mr WONG Kwok-hing queried whether a review about implementing the scheme should be made. The Administration explained that, since the introduction of the voluntary surrender scheme for pig farm licences in May 2006, 243 out of the 265 pig farms had submitted applications. However, as compared to the total number of some 400 000 live pigs in local pig farms as at 2006, the present supply of local live pigs had been reduced to around 200 000. As compared to that of 1 000 before the introduction of the voluntary surrender scheme, the daily supply dropped to around 600 to 700 in July 2007. The Administration further pointed out that, after an application for the voluntary surrender scheme was approved, the pig farmers concerned would be allowed six months to wind up their business, including selling their pigs and making severance payments to their workers. At present, some 100 pig farmers had already surrendered their licences to the Administration and ceased their operation in Hong Kong.

Latest developments

16. Subsequent to the Panel meeting held on 10 July 2007, the Food and Health Bureau and MoC agreed in principle to the opening up of live pig supply to Hong Kong and the setting up of pig farms by local pig farms on the Mainland. Guangnan Hong was appointed as an agent, in addition to Ng Fung Hong, to import live pigs directly from the Mainland. In October 2007, MoC further decided to appoint Hong Kong Agriculture Special Area Corporation as the third pigs' agency for Hong Kong.

17. The Administration will brief the Panel on 11 March 2008 on the future operation and management of SSSH.

Relevant papers

18. A list of relevant papers is in the **Appendix** for members' easy reference. The papers are available on the Council's website at <http://www.legco.gov.hk/english/index.htm>.

Relevant Papers

<u>Meeting</u>	<u>Date of Meeting</u>	<u>Minutes/Papers</u>
Panel on Food Safety and Environmental Hygiene	8 May 2007	Administration's paper [LC Paper No. CB(2)1749/06-07(02)] Background brief on "Nuisances caused by the Tsuen Wan Slaughterhouse" prepared by the LegCo Secretariat [LC Paper No. CB(2)1749/06-07(03)] Minutes of meeting [LC Paper No. CB(2)2088/06-07]
	10 July 2007	Administration's paper [LC Paper No. CB(2)2445/06-07(01)] Minutes of meeting [LC Paper No. CB(2)2676/06-07]