

For information

**LegCo Panel on Food Safety and Environmental Hygiene**

**Progress of the Major Initiatives under the New Agriculture Policy**

**Purpose**

This paper provides an update on the implementation progress of the major initiatives under the New Agriculture Policy (NAP).

**Background**

2. The Government announced in the 2016 Policy Address the implementation of the NAP to promote the modernisation and sustainable development of local agriculture. An overview of the NAP and its various initiatives was provided in the information paper for the Panel meeting of 2 February 2016 (LC Paper No. CB(2)767/15-16(03)). In gist, the major initiatives underpinning the NAP include:

- (a) establishing a \$500 million Sustainable Agricultural Development Fund (SADF) to provide financial support for the modernisation and sustainable development of local agriculture;
- (b) establishing an Agricultural Park (Agri-Park) to help nurture agro-technology and agro-business management;
- (c) commissioning a consultancy study on Agricultural Priority Areas to identify relatively large areas of quality agricultural land and explore ways to incentivise their revitalisation; and
- (d) facilitating the development and modernisation of local agriculture and the wider adoption of hydroponics and agro-technology.

3. The NAP has been making good progress. Latest developments of the initiatives stated above are summarised in the ensuing paragraphs.

## **Sustainable Agricultural Development Fund**

4. The \$500 million SADF was launched in December 2016 to provide funding support for application-oriented projects that would enhance agricultural productivity and output, or help farmers switch to sustainable or high value-added operations so as to raise the overall competitiveness of the sector. As at end June 2017, 11 project applications have been received under the SADF, covering a wide range of areas including cultivation techniques, certification and promotion of organic farming, development of nutrient solution and substrate, aquaponics and hydroponics, etc.

5. The Agriculture, Fisheries and Conservation Department (AFCD) is now liaising with the applicants to clarify the technical and financial aspects of the project applications for scrutiny by the SADF Advisory Committee, which would provide independent advice to the Director of Agriculture, Fisheries and Conservation on matters relating to the administration of SADF, including overall strategy for funding projects and relative priorities of applications for funding support. The Advisory Committee is chaired by a non-official and comprises members including representatives of the trade, academics, professionals and government officials.

6. Under the SADF, AFCD has also put in place a Farm Improvement Scheme (FIS) to provide direct grants at a maximum of \$30,000 each to eligible local farmers engaged in commercial farming of not less than 1 dau chung (i.e. 7 260 square feet) for acquiring mechanised farming equipment and materials from a pre-approved list. Of 125 applications received thus far, AFCD has granted in-principle approvals to 88 farmers for proceeding with their proposed purchases, amounting to a total funding commitment of about \$2.6 million. Applications under the FIS are ongoing, and AFCD aims to complete their processing, including verifying the farmers' identity and eligibility, and issue in-principle approvals for those valid ones within 8 weeks from receipt of application. Grants are disbursed to the farmers within 4 weeks after they have successfully acquired the approved equipment and/or materials on a reimbursement basis.

7. AFCD will continue to engage the agriculture industry and other potential applicants such as academic institutes, non-governmental organisations and social enterprises interested in agriculture to encourage them to make good use of the SADF. AFCD will also continue to promote the FIS through its regular contacts with local farmers and encourage their applications.

### **Agricultural Park**

8. Establishment of the Agri-Park is another key initiative under the NAP to help nurture agro-technology and agro-business management, as well as to facilitate knowledge transfer so as to enhance productivity. A cluster of about 80 hectares of farmland in Kwu Tung South has been identified as suitable for this purpose. The engineering feasibility study on the initial boundary of and major infrastructure support for the Agri-Park has been completed. Taking into account the size of the Agri-Park, the study recommended developing it in two phases as shown in the rough sketch at Annex, with a view to enabling its partial commissioning for use by farmers as early as possible.

9. The first phase of Agri-Park will be developed in a relatively small-scale, involving primarily construction of an access road to connect the Agri-Park with the existing transportation network, as well as site formation of about 10 per cent of its total area to facilitate early commercial agricultural activities within the Agri-Park. In accordance with prevailing practice, AFCD and the relevant departments will proceed to consult the North District Council (DC) and the corresponding rural committee (RC) on the road works and land resumption required for the first phase. Taking into account the outcome of the investigation and detailed design for the first phase currently underway and the local views to be gathered in the DC/RC consultations, we will consult the Panel separately before seeking funding approval for the construction works.

### **Revitalisation of Farmland**

10. Agricultural land in Hong Kong is mainly in private hands, and the landowners may decide whether to lease out their land for farming. In tandem with the development of Agri-Park and in response to calls for

better protection and utilisation of existing farmland, the Food and Health Bureau and the Development Bureau will jointly commission a consultancy study later this year to identify relatively large areas of quality agricultural land for possible designation as Agricultural Priority Areas, and explore suitable policies and measures to provide incentives to encourage landowners to put fallow agricultural land into long-term agricultural use. Preparation for the tender exercise of the consultancy study is currently underway. In view of the considerable amount of agricultural land in the New Territories, it is estimated the study may take several years to complete. The Government will conduct public consultation in the course of the study.

### **Hydroponics and Agro-technology**

11. One key element of the NAP is to facilitate modernisation of local agriculture and wider adoption of advanced technology in production. The development of hydroponics is one such example, where production could be optimised in a fully controlled indoor environment and maximised with multi-layer vertical cultivation. Having regard to this, and in addition to the Controlled Environment Hydroponic Research and Development Centre set up by AFCD in collaboration with the Vegetable Marketing Organisation (VMO) in 2013, the Government is reviewing the operational requirements of hydroponics and other farming practices using new technology, with a view to providing clear guidelines for the application of such agro-technology in industrial buildings/zones. The findings will be announced as soon as the review and the related work are completed.

### **Enhancing Marketing of Local Fresh Produce**

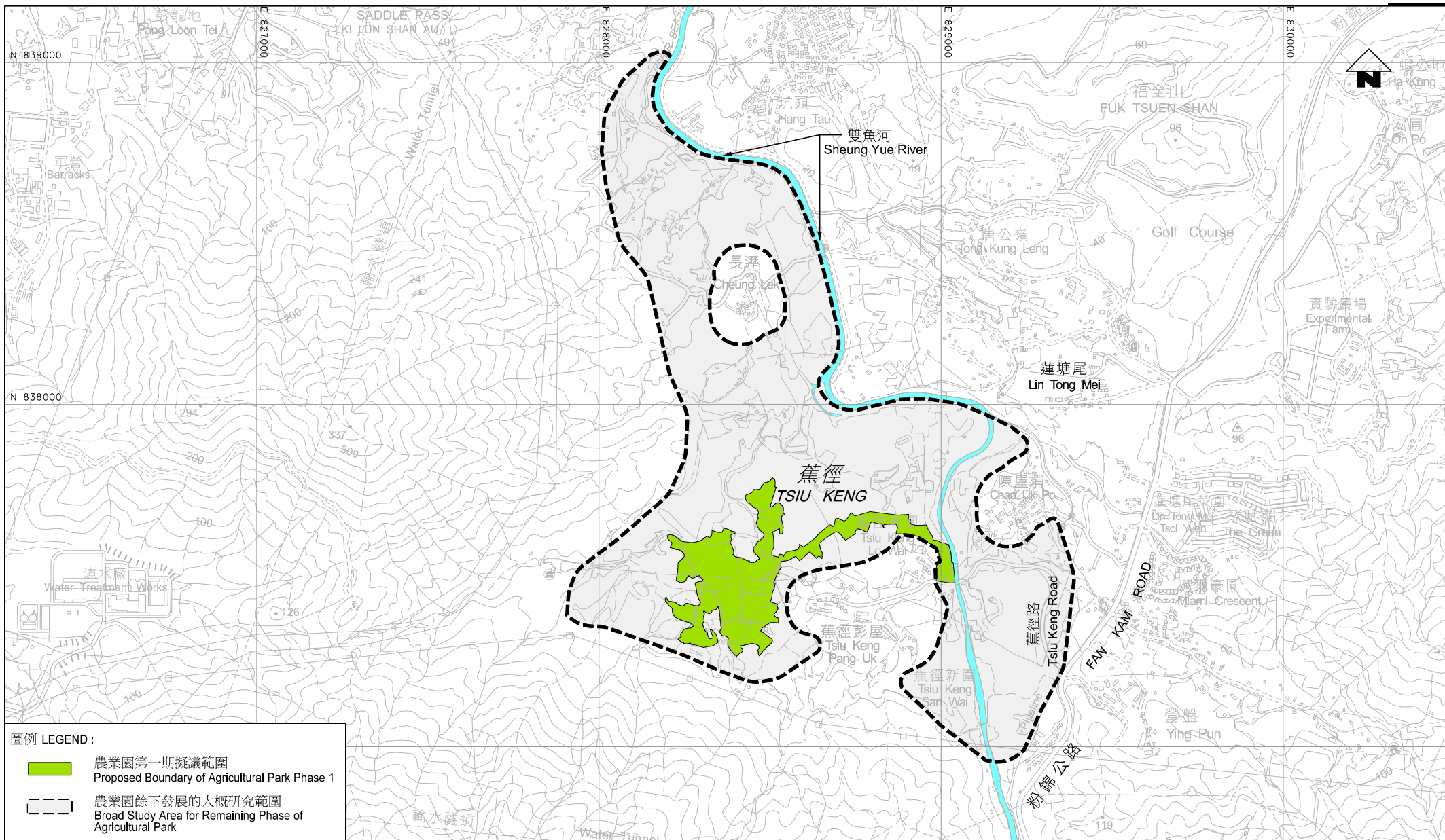
12. To make it easier for consumers to purchase local produce, AFCD has developed jointly with VMO the mobile application “VMO local veggie fresh” which operates on both Android and iOS platforms. Local produce available is posted onto the app twice per day, and consumers can make purchases anytime on their smartphones. Free delivery is available for any purchase exceeding \$180. Patrons can also choose to collect their purchases at designated collection points without additional charge.

13. AFCD is striving to make further progress in enhancing the marketing of local produce. To help farmers tap into the niche market for local produce, AFCD has organised weekend farmers' markets at Lam Tei and Tai Po with farmer organisations, which enable farmers to have direct contact with consumers supporting local production and promote their produce. AFCD is also working with local farmers to foster the development of branding for local produce, with a view to strengthening the differentiation of local produce from imports.

## **Conclusion**

14. We are monitoring closely the implementation of the NAP and will keep the Panel informed of major developments in the future. Members are invited to take note of the progress of the major initiatives under the NAP as set out above.

**Food and Health Bureau  
Agriculture, Fisheries and Conservation Department  
July 2017**



圖例 LEGEND:

- 農業園第一期擬議範圍  
Proposed Boundary of Agricultural Park Phase 1
- 農業園餘下發展的大概研究範圍  
Broad Study Area for Remaining Phase of Agricultural Park

僅供參考

圖則名稱 drawing title

# 農業園位置圖

## LOCATION PLAN OF THE PROPOSED AGRICULTURAL PARK

工務計劃項目第7471RO號  
在古河南設立農業園第一期  
PWP ITEM NO. 7471RO  
THE ESTABLISHMENT OF AN AGRICULTURAL PARK  
PHASE 1 IN KWU TUNG SOUTH

辦事處 office  
新界東拓展處  
NEW TERRITORIES EAST  
DEVELOPMENT OFFICE

圖則編號 drawing no.  
附件一  
APPENDIX 1

比例 scale  
1 : 15 000 ( A4 )

土木工程拓展署  
CIVIL ENGINEERING  
AND DEVELOPMENT  
DEPARTMENT

