

**For discussion
10 July 2018**

**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. Since the announcement, we have reported the implementation progress of the NAP to the Panel on Food Safety and Environmental Hygiene (the Panel) several times (LC Paper Nos. CB(2)767/15-16(03), CB(2)659/16-17(01), CB(2)1857/16-17(01), CB(2)43/17-18(01) and CB(2)721/17-18(01)).

3. Under the NAP, various initiatives are implemented to support local agriculture and strengthen its foundation for further development. The latest developments of the initiatives are summarised below.

Agricultural Park

4. The Government plans to establish an Agricultural Park (Agri-Park) under the management of the Agriculture, Fisheries and Conservation Department (AFCD) in Kwu Tung South, New Territories to encourage farms to develop and adopt modern production methods.

5. Taking into account the consultant's recommendations, the Government will develop the project in two phases. The first phase (Phase 1) of the Agri-Park will be developed in a relatively small-scale, with a view to enabling its partial commissioning for use by farmers as early as possible (the rough sketch of the Agri-Park and the boundary of Phase 1 are set out in LC Paper No. CB(2)1857/16-17(01)). In March 2017, the Civil Engineering and Development Department (CEDD) commissioned another consultant to carry out detailed design and site investigation work for the infrastructure support of the Agri-Park and

make recommendations on the boundary of Phase 2.

6. The Agri-Park will rehabilitate existing fallow farmland and increase the amount of arable land in the area. Coupled with the introduction and promotion of modern agricultural production methods, it is expected that, after full commissioning of the Agri-Park, there will be greater demand for logistics services and transport. For the operation and long-term development of the Agri-Park, it is necessary to construct a new carriageway and footpaths in the Agri-Park to connect Tsiu Keng Road and Fan Kam Road and provide appropriate supporting transport facilities for the Agri-Park. The proposed carriageway, to be designed in accordance with the Transport Planning and Design Manual of the Transport Department, will cater for the operation needs of the Agri-Park and the road traffic situation. The carriageway will allow access of large vehicles to facilitate the transportation of farming machinery and equipment and agricultural produce. It will also be open for the public and visitors to participate in farming-related educational activities, sharing sessions and experimental programmes.

Agri-Park Phase 1

7. The Agri-Park Phase 1 is about 11 hectares (ha) in area. The Government consulted stakeholders last year on the infrastructure works of Phase 1 and the land resumption arrangement, including the Sheung Shui District Rural Committee, landowners, local villagers, farmers and interest groups. The proposal of infrastructure works and land resumption for Phase 1 was supported by the North District Council (North DC) (North DC Paper No.48/2017) in October 2017.

8. On 3 November 2017, CEDD gazetted the proposed road works of the Agri-Park Phase 1 under the Roads (Works, Use and Compensation) Ordinance (Cap. 370) (the Ordinance). On the same day of the said gazettal, the Lands Department (LandsD) conducted a freezing survey for the Phase 1 works. For the development of the Agri-Park Phase 1, it is expected that resumption of about 8.1 ha of private agricultural land and clearance of other government land will be needed, with three households (about 12 people) and about a dozen farms operating within the area affected.

9. The Government received more than 50 submissions from the stakeholders and the public on the proposed road works. The public gave their views on issues such as the necessity for, and the alignment of,

the road, the impact of the construction works on existing farmers, farmland and environment, as well as the planning of the Agri-Park. The Government has considered each and every submission received and provided written replies to all units/organisations. In the replies, the justifications for, and the design of, the proposed road as well as the principles of land resumption were clearly explained. Affected farmers were also briefed on the arrangement that farmers operating within the area prior to the establishment of the Agri-Park would be accorded priority for their tenancy applications. Specific information on different aspects was also provided, including environmental concerns, the design and management of the Agri-Park.

10. In addition, CEDD and relevant departments held objection resolving meetings with green groups, representatives of landowners and farmers/local villagers on 11 May, 29 May and 3 June 2018 respectively, further explaining to relevant stakeholders the issues raised in the submissions. The objections will be submitted to the Chief Executive in Council to consider whether to proceed with the proposed road works and land resumption arrangement for the Agri-Park.

11. The consultant of the Agri-Park is conducting detailed design and site investigation work on the infrastructure support (including roads and footpaths, major irrigation systems, composting facilities, basic accommodation and agricultural storage facilities). The consultant will explore different options to identify water sources for irrigation in the area, including using the nearby Kwu Tung Irrigation Reservoir and rivers and constructing appropriate water storage facilities, with a view to ensuring adequate irrigation water for use by farmers in the Agri-Park. The consultant will also test the soil quality (e.g. heavy metal content) to safeguard food safety of the produce. The consultant met with farmers currently operating in the area in June this year to listen to their concerns about irrigation and other views on farming methods. In addition, AFCD and CEDD have invited representatives from the agriculture sector, farming organisations, green groups and interest groups to express views on the overall design and infrastructure support of the Agri-Park. The consultant will take into account the views as appropriate.

12. The Government will endeavour to make arrangements for farmers affected by the proposed road works to relocate to other farmland in the Agri-Park prior to commencing the road and other construction works so as to minimise the impact on them. AFCD will also provide technical support to help farmers rehabilitate as soon as possible after the relocation.

13. We will submit the funding request for the construction works of Phase 1 (including the proposed road) to relevant committees such as the LegCo Panel, Public Works Subcommittee and Finance Committee for examination. The government departments concerned will commence land resumption only after funding approval for the construction works of Phase 1 has been obtained from the Finance Committee.

Consultancy study on Agricultural Priority Areas

14. Currently, there are about 700 ha of agricultural land under active farming in Hong Kong. The Agri-Park is only about 80 ha in size. Agricultural development must be supported by the availability of a sufficient amount of agricultural land. Establishment of the Agri-Park shows unequivocally the determination of the Government in exploiting and enhancing the value-added potential of agricultural development through modernisation and technology application. To revitalise fallow agricultural land and apply innovative farming practices successfully developed or tested in the Agri-Park on a larger scale, the Food and Health Bureau (FHB) and the Development Bureau (DEVB) are jointly commissioning a consultancy study on Agricultural Priority Areas (APAs) to identify relatively large areas of quality agricultural land and recommend suitable policies and measures to provide incentives to encourage landowners to put fallow agricultural land into long-term agricultural use so as to support the development of local agriculture. Tendering of the consultancy closed on 20 June this year and the selection of consultant is underway. The consultancy study is expected to commence in the second half of the year.

15. The consultancy study will draw up the criteria and requirements for designation of APAs, identify relatively large areas of quality agricultural land as APAs, and identify land with relatively low potential for rehabilitation for facilitating relocation or consolidation of livestock farms. The study will cover active and fallow agricultural land, whether government- or privately owned. The study will make specific recommendations on the locations and scope of APAs having regard to various factors, including environmental conditions (such as soil quality) and infrastructure support (such as irrigation water sources, drainage and roads). The consultant will review relevant legislative requirements and explore new or additional measures for the implementation of APAs. It will also widely engage stakeholders and the public to take full account of their views. Given that a considerable amount of agricultural land in the

New Territories is involved, it is estimated that the study may take several years to complete.

16. A cross-bureau/department steering committee to be led by FHB and DEVB will be set up to oversee the consultancy study to ensure that the APA initiative can achieve the purpose of supporting and promoting agricultural development in Hong Kong. The Government will carefully consider the outcome of the consultancy study before deciding the way forward.

Sustainable Agricultural Development Fund

17. To support the modernisation and sustainable development of the local agriculture, the \$500 million Sustainable Agricultural Development Fund (SADF) provides funding to 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.

18. As at end June 2018, SADF has received 28 general applications, involving a funding commitment of about \$220 million. SADF Advisory Committee (Committee) has vetted a number of applications, of which four involving a funding commitment of about \$47 million have been recommended by the Committee, covering developing organic nutrient solutions for organic and traditional farming, promoting organic farming, managing an organic certification system and assisting in branding of local agricultural produce. In addition, two applications have been withdrawn by the applicants and three applications have failed to meet the eligibility criteria or have not been recommended. The remaining 19 applications are under processing.

19. The Farm Improvement Scheme (FIS) under SADF provides direct grants of up to a maximum of \$30,000 each to eligible farmers for acquiring modernised and mechanised farming equipment and facilities. A total of 193 applications have been received and more than 180 approved so far, involving a funding commitment of over \$5 million. The farming equipment being funded includes cultivator tillers, insect suction trap catchers and parts for irrigation system. AFCD has been listening to the views of farmers for proactively optimising the list of eligible farm equipment and materials under FIS to meet the needs of different farms as far as possible. An information leaflet on FIS has been distributed to farmers who have joined the Voluntary Registration

Scheme for Local Vegetable Farms, the Accredited Farm Scheme, and the Organic Farming Support Service. AFCD will continue to promote FIS through seminars as well as the daily contact/liaison with farmers. To step up the promotion and publicity, assistance has also been sought from District Council members of the relevant districts for displaying the information leaflet in their local offices.

Hydroponics and Agro-technology

20. To allow for new agro-technology (e.g. hydroponics and aquaculture) to be applied in industrial buildings, the Town Planning Board amended the definition of terms used in statutory plans by adding the use of “Technology-based Crop and Aquaculture Production” in June 2017. After examining the situation, LandsD considers that under normal circumstances, such use would not be considered as a breach of the “Industrial” use specified in the land lease.

21. In addition, AFCD and the Vegetable Marketing Organisation (VMO) have jointly set up the Controlled Environment Hydroponic Research and Development Centre (Hydroponic Centre), which serves to demonstrate advanced hydroponic technology and facilities for the industry and investors, bringing new opportunities to agricultural development in Hong Kong. Working with local scientific research institutes, the Hydroponic Centre develops new technology and equipment for application in hydroponic productions to enhance productivity. For example, it has tested the Nanofibre Mat and Nano Bubble Technology in improving hydroponic productivity as a means to upgrade the technology in local vegetable production for the benefit of the agricultural sector. In recent years, the number of hydroponic farms has been increasing as the hydroponic technology is getting well-developed. At present, there are 39 hydroponic farms in Hong Kong, among which eight are located in industrial buildings. In cooperation with local universities and scientific research institutes, apart from production, some of these farms conduct research on new hydroponic technology and adopt an intelligent operation mode to enhance productivity and product quality. Varieties have gradually been broadened to include different special types such as cherry tomatoes, edible flowers, kale and other premium vegetables to expand the market and provide more choices to consumers.

Conclusion

22. Members are invited to note the progress of the major initiatives under the NAP. We will continue to update the Panel on this subject in due course.

**Food and Health Bureau
Agriculture, Fisheries and Conservation Department
Civil Engineering and Development Department
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