

立法會 *Legislative Council*

LC Paper No. CB(2)2032/17-18(01)

Ref : CB2/PL/FE

Panel on Food Safety and Environmental Hygiene

Background brief prepared by the Legislative Council Secretariat for the special meeting on 5 October 2018

Issues relating to the proposed establishment of the Agricultural Park

Purpose

This paper provides background information on the proposed establishment of the Agricultural Park ("Agri-Park"), and summarizes the views and concerns of members of the Panel on Food Safety and Environmental Hygiene ("the Panel") on the subject.

Background

2. The Government announced in the 2016 Policy Address the implementation of the New Agriculture Policy ("NAP") to promote the modernization and sustainable development of the local agricultural industry. One of the key initiatives¹ proposed by the Administration under NAP is the establishment of an Agri-Park under the management of the Agriculture, Fisheries and Conservation Department ("AFCD") to help nurture agro-technology and agro-business management, as well as to facilitate knowledge transfer with a view to enhancing productivity.

¹ Other measures underpinning NAP include:

- (a) establishing a \$500 million Sustainable Agricultural Development Fund to provide financial support for the modernization and sustainable development of local agriculture;
- (b) commissioning a consultancy study to explore the feasibility and merits of identifying and designating Agricultural Priority Areas to incentivize their use for long-term agricultural purposes;
- (c) facilitating development of hydroponics and agro-technology;
- (d) facilitating leisure farming ancillary to agricultural production; and
- (e) enhancing food safety and the marketing of local fresh produce.

3. According to the information provided by the Administration to the Panel in January 2018, a cluster of about 80 hectares of farmland in Kwu Tung South, New Territories has been identified as the potential site for the Agri-Park. Upon completion of the engineering feasibility study in early 2017, the Administration has decided to develop the Agri-Park in two phases. Phase 1 will be developed in a relatively small scale (about 11 hectares), 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 proposed boundary of Phase 1 are in **Appendix I**. In March 2017, the Civil Engineering and Development Department ("CEDD") commissioned a 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.

4. According to the Administration's paper reporting on the progress of the major initiatives under NAP (LC Paper No. CB(2)1745/17-18(01)) provided for the Panel meeting on 10 July 2018, it is expected that there will be greater demand for logistics services and transport after the full commissioning of the Agri-Park. For the operation and long-term development of the Agri-Park, the Administration considers it 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. On 3 November 2017, the Administration gazetted the proposed road works of the Agri-Park Phase 1 under the Roads (Works, Use and Compensation) Ordinance (Cap. 370). On the same day of the said gazettal, the Lands Department 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 hectares 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.

Members' concerns

5. Members' major views and concerns over the proposed establishment of the Agri-Park are summarized in the ensuing paragraphs.

Assistance to affected farmers

6. Concern was raised as to whether any assistance or compensation would be provided to farmers operating within or in proximity to the proposed site of the Agri-Park, if they were affected by the Phase 1 development and forced to move out from their farmland. There was a view that the Administration should review the existing compensation mechanism for land resumption,

including the amount of ex-gratia allowance granted to eligible farmers affected by the related works.

7. The Administration advised that farmers affected by the development of the Agri-Park Phase 1 would be accorded priority for their tenancy applications. The Administration would endeavour to make arrangements for these farmers to relocate to other farmland in the Agri-Park prior to commencing the road and other construction works so as to minimize the impact on them. AFCD would also provide technical support to help the affected farmers rehabilitate as soon as possible after the relocation. The consultant of the Agri-Park was conducting detailed design and site investigation work on the infrastructure support. It would take into account the views from the stakeholders in working out the overall design and infrastructure support of the Agri-Park.

8. Enquiries were raised about the rental rate of farmland in the Agri-Park and the criteria for determining the rental levels and the duration of tenancy agreements for leasing farmland in the Agri-Park for cultivation. According to the Administration, prospective tenants (specifically those farmers operating within the area prior to the establishment of the Agri-Park) would each be offered a five-year term standard tenancy agreement in the Agri-Park at the existing rents that they were respectively paying to their private landowners. For new entrants who wished to pursue farming in the Agri-Park, the Administration would make reference to the rental levels for farmland in nearby areas and the facilities to be provided in the Agri-Park in setting the rents.

Proposed road works for the Agri-Park Phase 1

9. While some members appreciated that the proposed road works would allow access of large vehicles to the Agri-Park to facilitate the transportation of farming machinery and equipment as well as agricultural produce, some other members were concerned about the impact of the proposed road works on existing farmland and the environment. There was a view that to minimize the impact, the Administration should first explore the feasibility of improving the existing road network in the vicinity in lieu of proceeding with the proposed road works.

10. According to the Administration, it had received different views from green groups, representatives of landowners, farmers and local villagers on the proposed road works. While some stakeholders were opposed to the proposal, others considered the provision of new carriageway and footpaths connecting Tsiu Keng Road and Fan Kam Road pivotal to the long-term development of the Agri-Park. The public had given 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 public views received would be submitted to the Chief Executive in Council for consideration of whether to proceed with the proposed road works and land resumption arrangement for the Agri-Park.

Operation of the Agri-Park

11. Some members expressed concern that the proposed five-year term standard tenancy agreements for prospective tenants in the Agri-Park could not give certainty to tenants (particularly new entrants) to make long-term investment in their farms. Enquiry was raised as to whether the Administration would consider extending the tenancy (e.g. seven to 10 years) such that the tenants would be able to make longer-term investment in their farm production. The Administration was suggested to adopt a flexible approach in handling tenancy renewal applications in the Agri-Park and keep the relevant procedures as simple as possible.

12. The Administration advised that, compared with the difficulties that existing farmers experienced in finding farmland for cultivation and securing stable tenancy agreements with landowners, the proposed five-year term tenancy agreement with prospect of renewal could give tenants sufficient certainty in order to make investment in their farms. The tenancy agreements could be renewed if certain terms and conditions could be met, ensuring that the farmland would be put to productive use.

13. Some members were concerned that the Agri-Park would focus only on the development of high-tech farming which was capital intensive and beyond the affordability of farmers in general. The Administration advised that the Agri-Park was intended for farmers engaging in crop farming and commercial production. The farmland within the Agri-Park would be demarcated into different areas for conventional, organic, floriculture and modern technological farming, taking into account the topography, operational requirements of the type of farming operations and the micro-climate of the respective areas.

14. An enquiry was also raised as to whether, after the establishment of the Agri-Park, a target would be set on the output of local agricultural production or the share of fresh produce to be supplied locally. There was a view that a self-sufficiency target should be set for local agricultural production under NAP. The Administration advised that it would not set any self-sufficiency target for local agricultural production given the relatively modest scale of the Agri-Park. That said, the Administration envisaged that the objectives of sustaining local agriculture to provide high quality and fresh agricultural produce to meet local demand could be achieved through the adoption of various initiatives under NAP and in time, the overall production capacity of the local agriculture could be scaled up. The Administration would review the effectiveness of NAP,

before setting any specific targets for local agricultural production. AFCD would continue to work with the Vegetable Marketing Organization to strengthen the marketing and branding of local agriculture produce.

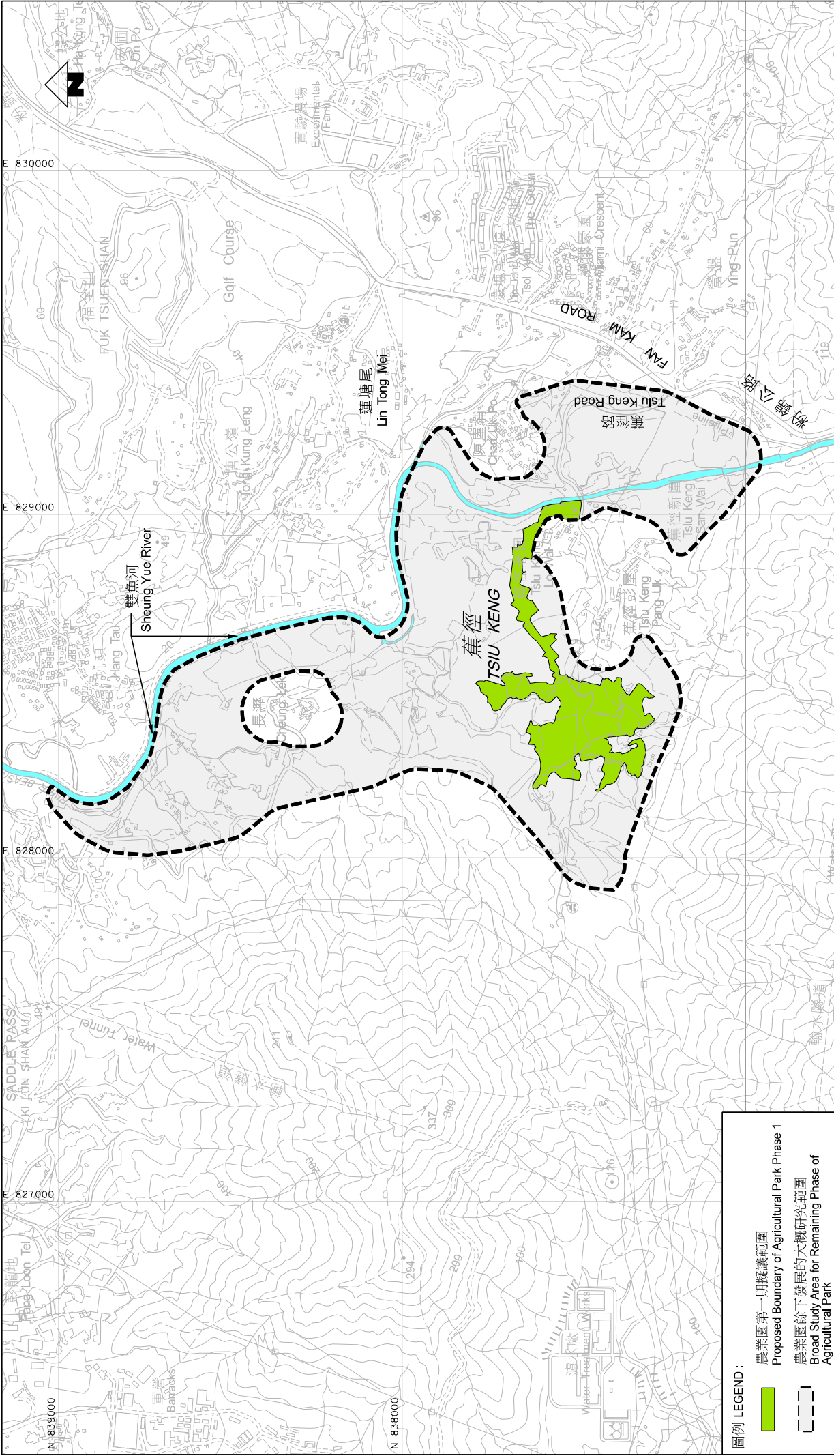
15. Concern was also raised that for operational reason, farmers would need to live close to the farms to take care of the crops. Some members considered that suitable arrangements (e.g. lodging premises) should be made to meet such needs of prospective tenants in the Agri-Park. The Administration advised that to address the operational need of farmers to stay close to their farms for taking care of the crops, the Administration intended to provide tenants with basic lodging and storage facilities in the Agri-Park. As a preliminary idea, each tenant (farm) would be provided with one such unit under the tenancy agreement; and the tenant would be required to vacate the unit when the tenancy agreement ended. Construction and maintenance of these farming-related facilities would be done by the Government. Their structures should be compatible with the environment and would be scattered in clusters around the Agri-Park, with their footprint to be kept to a minimum.

Latest development

16. The Panel will receive deputations' views and discuss with the Administration on issues relating to the proposed establishment of the Agri-Park at the special meeting on 5 October 2018.

Relevant papers

17. A list of the relevant papers on the Legislative Council website is in **Appendix II**.



- 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7471R0號
在古洞南設立農業園第一期
PWP ITEM NO. 7471R0
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 —
APPENDIX 1

比例 scale
1 : 15 000 (A4)



Appendix II**Relevant papers on
the proposed establishment of the Agricultural Park**

Committee	Date of meeting	Paper
Panel on Food Safety and Environmental Hygiene	10.7.2017*	Administration's paper on the implementation progress of the major initiatives under the New Agriculture Policy (LC Paper No. <u>CB(2)1857/16-17(01)</u>)
	31.10.2017 (Item I)	<u>Agenda</u> <u>Minutes</u>
	16.1.2018*	Administration's paper on the implementation progress of the major initiatives under the New Agriculture Policy (LC Paper No. <u>CB(2)721/17-18(01)</u>)
Public Works Subcommittee	22.1.2018 (Item I)	<u>Agenda</u> <u>Minutes</u>
	29.1.2018 (Item I)	<u>Agenda</u> <u>Minutes</u>
	31.1.2018 (Item I)	<u>Agenda</u> <u>Minutes</u>
Panel on Food Safety and Environmental Hygiene	10.7.2018 (Item III)	<u>Agenda</u> <u>Minutes</u>

* Issue Date