

(Translation)

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Your Ref : CB2/PL/FE

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8 April 2019

Dear Hon CHU,

**Legislative Council
Public Works Subcommittee
Issues relating to the Agricultural Park**

I refer to your letter dated 28 March 2019. Our responses to your enquiries about the Agricultural Park (Agri-Park) are set out below. For those enquiries outside the scope of the Agri-Park, they fall within the policy portfolio of the Development Bureau, which will reply to you separately.

Road alignment of the Agricultural Park

Reply to (1):

2. We conducted public consultations on the proposed road, including its necessity, alignment and design, from July to October 2017. The North District Council (DC) was consulted on the preliminary alignment proposal on 27 July 2017 (see North DC Paper No. 34/2017). Subsequently, after considering the views gathered during the consultation period and carefully examining the technical feasibility, we slightly modified the alignment of the proposed road in Phase 1 to reduce the number of affected structures from five to three, with a view to further

reducing the impacts on private land and existing communities. We consulted North DC again on the proposal (i.e. the current alignment) in October 2017 (see North DC Paper No. 48/2017). The current alignment was supported by representatives of the agricultural sector and North DC.

3. Besides, 蕉徑長瀝關注組 submitted a proposal on the alignment for the road in the Agri-Park to the Legislative Council (LegCo) on 5 October 2018. After seeking advice from the consultants and conducting site visit, we consider that the proposed alignment does not provide any connection to most of the area in the eastern part of the Agri-Park, failing to meet the actual needs of the Agri-Park tenants in the future. In addition, the alignment will lead to encroachment upon the village environs, involving resumption of private land in the Tsiu Keng village area and affecting nearby residents and environment. In line with the long-term development needs of the Agri-Park and the design criteria for the Rural Road, it is estimated that the proposal will affect eight structures upon widening of that section of Tsiu Keng Road to the standard of 7.3 metres (m) wide single two-lane carriageway. The number of structures affected is higher than that under our proposal (i.e. three structures). The turning radii of the bends are 44 m and 20 m, which could not fulfill the requirement for the road design standard of a minimum turning radius of 88 m for the “Rural Road” in accordance with the Transport Department’s Transport Planning and Design Manual. Our assessments on the proposal were made in a reply to the LegCo on 13 November 2018 (see LC Paper No. CB(2)255/18-19(01)).

4. During the consultation period, we also received a number of alignment proposals that were, upon site inspection and examination, found to be unable to meet the criteria. Therefore, the consultants did not further study the amount of private land and the number of existing structures to be resumed, as well as the extra construction time or costs to be involved, and did not prepare maps for the roads concerned.

Reply to (2):

5. A single-lane carriageway cannot meet the operational needs of the Agri-Park. About 50 hectares (ha) of existing fallow farmland in the Agri-Park would be rehabilitated upon full commissioning of the Agri-Park, resulting in a substantial increase in arable farmland and higher traffic demand compared with the present. We adopt the recommendation of the consultants to construct a single two-lane carriageway of 7.3 m wide to connect the Agri-Park with Tsiu Keng Road and Fan Kam Road in order to meet the long-term operational objectives and road safety needs of the

Agri-Park. Upon commissioning of Phase 2, this new road will form part of the road network within the Agri-Park. The road will service tenants in both Phases, and open for the public and visitors to participate in farming-related educational activities, sharing sessions and experiential activities.

6. It is expected that the traffic flow generated by the Agri-Park will not have unacceptable traffic impacts on Tsiu Keng Road, Fan Kam Road and other major road networks. The proposed two-lane carriageway with associated footpaths will take up a surface area of about 1 ha. Constructing a single-lane carriageway with the necessary associated footpaths and lay-bys will require an estimated area of 0.8 ha.

Infrastructure : Lodging Units

Reply to (1) to (4):

7. The Agri-Park will provide the necessary infrastructures and facilities to support tenants, including basic lodging units. These units provide a temporary resting place for farmers and workers and enable them to stay close to their farms for taking care of crops when necessary, but are not meant for long-term residential purpose. About 40 temporary lodging units of about 15 square metres (m²) each will be provided in Phase 1. With a capacity for two to three persons each, these lodging units will meet the farming needs of farmers. The consultant will examine the actual operational needs of farmers for the construction of permanent lodging units in Phase 2. The actual number of permanent lodging units in Phase 2 and other details will be proposed by the consultant after completion of the studies.

8. Tenants may, depending on their actual operation, assign workers to stay in the units for taking care of crops. The Agriculture, Fisheries and Conservation Department (AFCD) will conduct inspections to ensure that the units are used by farmers and their workers only.

9. Tenants complying with the Agri-Park's tenancy terms and conditions and being engaged in commercial crop production will be provided with basic lodging units. As a preliminary idea, each tenant (i.e. farm, with production area of not less than three *dau chung*) will be allotted one such unit under the tenancy agreement; and the tenant will be required to vacate the unit when the tenancy agreement ends.

10. The basic lodging units and storage units provided by the Agri-Park will be managed by AFCD, while maintenance will be provided by other departments including the Architectural Services Department and the Electrical and Mechanical Services Department. Our preliminary plan is to charge the rental having regard to the recurrent expenditure of the facilities. As for farmers displaced by the Agri-Park project or government development projects implemented within the same timeframe of the Agri-Park and who accept the Agri-Park's tenancy terms and conditions, the annual rental for renting the lodging and storage facilities should not exceed \$5,000 and \$3,000 respectively. The actual amounts are to be announced.

Infrastructure: Storage Units

Reply to (1) to (4):

11. About 80 temporary storage units of about 7.5 m² each will be provided in the Agri-Park Phase 1. These units will be distributed near the farmland for farmers to keep the equipment to hand. Area occupied by these units will be minimised as far as possible to reduce the use of farmland. The consultant will, after taking into account the practical operational needs of farmers and the specific demarcation of parcels of farmland in Phase 2, make recommendations on the details of the actual number and locations of the units in Phase 2. We will conduct consultations on the Phase 2 project in due course to seek the views of farmers, the agricultural sector and relevant stakeholders.

12. Tentatively, each tenant (i.e. farm, regardless of the production area) will be allotted a storage unit of the standard size near his / her farm under the tenancy agreement. Tenants will be required to return the unit when the tenancy ends. AFCD will set up a Management Advisory Board on the Agricultural Park (the Board) to advise on the management and development of the Agri-Park, including the allocation of farmland and facilities. The Board will thoroughly examine the actual operational needs of individual tenants (including the rental area, farming modes and use of facilities) in considering the allocation.

Reply to (5):

13. See paragraph 10 above.

Building farms and farm facilities

14. Most of the Agri-Park area will be used for agricultural activities, while the remaining part will be used for building infrastructures and roads for supporting the Agri-Park. In the Agri-Park, currently active farmland in the site will be preserved for farming purpose as far as practicable and some 50 ha of fallow farmland will be rehabilitated.

15. AFCD will be responsible for managing tenancy agreements and overseeing the day-to-day operations. Tenants in the Agri-Park must strictly observe the tenancy terms and conditions, including that the farmland cannot be used for purposes other than agricultural production, and that damage to farmland is prohibited. Tenants may be permitted, subject to relevant approvals, to build structures only related directly to their farming activities such as greenhouses and rain shelters. Since most of the farmland in the Agri-Park will be preserved for agricultural production, it is unnecessary to set a ceiling for the concretised area.

Rent and allocation of farmland

Reply to (1) - (4):

16. The farmland in the Agri-Park is mainly for public application. Farmers operating within the area prior to the establishment of the Agri-Park as well as farmers affected by Government development projects implemented within the same timeframe will be accorded priority to apply for farmland in the Agri-Park if they wish to continue farming.

17. The Agri-Park Phase 1 has a total area of about 11 ha, and provide about 7 ha of farmland. The Agri-Park Phase 1 can accommodate all farmers currently operating in that area for rehabilitation, and it is estimated that the remaining farmland is sufficient to accommodate farmers affected by new development area (NDA) projects implemented within the same timeframe, including those affected by the First Phase development of the Kwu Tung North and Fanling North NDAs. Remaining farmland will then be made available for public application.

18. Preliminarily we estimate that the Agri-Park Phase 1 can accommodate about 40 farms, each under one tenancy agreement. The exact number and size of individual farms depend on a number of factors, including whether the affected farmers would choose to rehabilitate in the Agri-Park and the response to public application.

19. All tenants operating in the Agri-Park will be required to sign tenancy agreements to indicate their acceptance of, and willingness to comply with, the terms and conditions of the tenancy. Specific terms and conditions will be set out in the tenancy agreement, including a 5-year standard tenancy period, rent and rental adjustment mechanism, and the use of farmland and related facilities and their restrictions. To meet the overall objectives of the Agri-Park and ensure reasonable production output, each tenant will be required to submit an annual production plan to AFCD for assessment. AFCD will provide guidelines and assistance to farmers for preparing the annual production plan. Meanwhile, it will simplify the procedures as far as possible and provide technical advice to help farmers achieve a reasonable output.

20. Existing farmers operating within the area of the Agri-Park may, upon production of valid tenancy agreements or supporting documents, enter into the first tenancy agreement with the Agri-Park at the same rent and for the same tenancy period of their existing valid tenancy agreement, up to a maximum period of five years. Upon expiry of such period, the farmers concerned will be offered the standard tenancy agreement like other tenants.

21. In setting the rent of farmland in the Agri-Park, to start with, the median of current rents for crop farms in the vicinity has been referenced. Based on preliminary estimates, the median rent for farmland in this area is nearly \$1,000 per *dau chung* (about 675 m²) per year.

22. AFCD collects information of farmland rent in various regions of Hong Kong every year mainly through telephone interviews. For setting the rent of the Agri-Park, AFCD has compiled the rental statistics of about 200 farms in Kwu Tung and Sheung Shui (including crop farms ranging from 1 to 15 *dau chung* in Sheung Shui, Kwu Tung South and Fanling). Information about the exact location of the farms interviewed is not collected in the survey.

Measures for farmers affected by the Agri-Park and the development projects in the North East New Territories

Reply to (1) - (4):

23. The Agri-Park will help nurture agro-technology and knowledge on modern farm management through leasing farmland and providing

associated agricultural facilities for farmers to conduct commercial farming. All tenants must pay rent, as well as electricity and fresh water charges (if any). Farmers may decide whether to rent temporary lodging and storage units according to their actual operational needs.

24. The private land within the site area of the Agri-Park will be resumed pursuant to the Lands Resumption Ordinance (Cap.124) and Roads (Works, Use and Compensation) Ordinance (Cap.370). All existing facilities in the area will be cleared and compensated according to the established principles. Besides, the Agri-Park will provide related facilities such as basic lodging and storage units to farmers so that they can take care of their crops as necessary. After obtaining approvals, tenants may build structures directly related to their farming activities such as greenhouses and rain shelters.

25. After land resumption, we will ask the contractor to carry out land formation and soil improvement works on the fallow land as soon as possible. Land formation works include clearance, ploughing and soil improvement. Irrigation systems and equipment as well as temporary lodging and storage units will also be provided. We will endeavour to relocate farmers affected by the road works to other part of the Agri-Park to continue farming before commencing the road and other construction works, thereby minimising the impact on them. AFCD will also provide technical support to help affected farmers rehabilitate as soon as possible.

Reply to (5) - (6):

26. The relevant information about the Agri-Park Phase 1 is tabulated as follows:

Area of affected farmland under active farming	No. of farmers and farming mode	
	Total	Farming mode
About 3 ha	16	Except for greenhouse production by one farmer, all are engaged in conventional farming.

27. The Development Bureau will provide information about the rest separately.

Reply to (7):

28. As a matter of policy, the Government will handle the “housing” and “agricultural rehabilitation” needs of farmers affected by the NDAs and the Agri-Park separately. It will handle matters related to the resumption of private land for public purpose and clearance of government land in accordance with the established mechanism, including providing rehousing and compensation to eligible landowners and households.

29. Basic lodging units will be provided in the Agri-Park for farmers and workers for temporary resting or staying close to their farms to tend their crops as necessary. However, they are not meant for long-term residential purpose.

Production target and tenancy

Reply to (1) - (3):

30. AFCD estimates that the daily agricultural output of the Agri-Park Phase 1 will be about one tonne. As the output of individual farms depends on the type of crops and their production mode, there is no single production target applicable to all farms. Farmers are required to submit an annual production plan and target to AFCD, which will then assess the production plan to see whether it is reasonable before drawing up the tenancy agreement. AFCD will also inspect the farms regularly to ensure compliance with the tenancy agreement and effective use of farmland. Technical support will be rendered to tenants to help them adopt sustainable practices to meet production target. Tenants that have fulfilled the agreed tenancy conditions of the Agri-Park will be considered for tenancy renewal. AFCD will take into account the actual circumstances of individual tenants, including factors such as the impact of weather.

31. For cases with serious breach of the terms and conditions of the tenancy agreement (e.g. subletting the farmland or related facilities or leaving the farmland idle without reasonable grounds), they will be submitted to the Board for consideration. The tenants concerned may have their tenancy agreements terminated or refused for renewal.

Reply to (4) - (5):

32. The Development Bureau will provide the relevant information separately.

Water Sources

Reply to (1) - (5):

33. Apart from the nearby rivers and Kwu Tung Irrigation Reservoir as water sources for the Agri-Park, we will build ponds for storing irrigation water. The pond for Phase 1 will have a capacity of about 8,000 cubic metre for supplying irrigation water during dry seasons, ensuring adequate water supply for future tenants of the Agri-Park Phase 1 for farming activities.

34. Existing farming practices of wet cultivation or furrow irrigation generally do not have water quality management and usage control, resulting in uneven allocation of water resources among farms. The Agri-Park will provide appropriate irrigation facilities to supply water to fields, as well as providing sprinklers to encourage farmers to adopt a more water-saving and efficient irrigation method. AFCD will provide technical support to help farmers operate and maintain the irrigation systems properly to avoid overuse and wastage of water.

35. The consultant will advise on providing different sources of irrigation water for organic and non-organic farming.

Management framework

Reply to (1) - (3):

36. We have been maintaining communications with stakeholders, including farmers, representatives of the sector, farming organisations, local villagers and village representatives, to listen to their views on the operation and management of the Agri-Park. The consultations conducted on the Agri-Park are summarised in a discussion paper of the LegCo Public Works Subcommittee (Paragraphs 14 - 17 of PWSC(2018-19)43). We will continue to listen and duly consider the views of stakeholders concerned on the overall design of the Agri-Park.

37. As mentioned in paragraph 12 above, AFCD will set up Board to advise on the management of the Agri-Park. Comprising individuals from various sectors, including professionals, academics and representatives of the agricultural sector, the Board will be established in 2020. Details are being considered.

Criteria on the coverage of land resumption

Reply to (1) - (2):

38. In deciding the boundary of the Agri-Park, our primary consideration is whether the land is suitable for farming or rehabilitation. We also follow the principle of making good use of government land in the area with minimum impact on structures and the environment. Meanwhile, we will thoroughly consider the distribution of existing structures and the impact on the environment of the local communities. The same principles will apply to the development of the Agri-Park Phase 2.

39. Regarding the land in DD100 lot 332 S.A., we had conducted site inspection and found that it was small in size and had been used for residential purpose for long. As its potential for rehabilitation was very low, it was excluded from the land resumption area based on the above-mentioned principles in land resumption.

40. All crops on the private farmland and government land in the Agri-Park must be cleared with structures demolished. Eligible persons so affected will be granted with the applicable ex-gratia allowance.

Yours sincerely,

(Bill WONG)
for Secretary for Food and Health

cc:

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