

立法會

Legislative Council

LC Paper No. CB(2)528/18-19(06)

Ref : CB2/PL/FE

Panel on Food Safety and Environmental Hygiene

Updated background brief prepared by the Legislative Council Secretariat for the meeting on 8 January 2019

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.

3. According to the progress updates provided by the Administration on the

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.

implementation progress of the major initiatives under NAP in January and July 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. In early 2017, upon completion of the relevant engineering feasibility study, the Administration 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 to make recommendations on the boundary of Phase 2.

4. According to the Administration's information provided to the Panel in 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 below.

Design of the Agri-Park and the proposed road works

6. Some members expressed concern about the suitability of allocating farmland in the Agri-Park for practising hydroponics which was a soil-less production method, as they took the view that the Administration should better utilize the quality agricultural land within the Agri-Park for other farming operations. The Administration advised that the main objectives of the Agri-Park were to encourage the adoption of modern farming practices and development of new agricultural technology as well as related knowledge

transfer. Hydroponic cultivation was one such example, which could be adopted under a completely- or partially-controlled environment.

7. Regarding the proposed road works, while some members appreciated that the new carriageway 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. Query was also raised about the justifications for constructing a single two-lane carriageway in the Agri-Park. 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.

8. According to the Administration, the Agri-Park would 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 was expected that, after full commissioning of the Agri-Park, there would be greater demand for logistics services and transport. To meet the operational needs and long-term development of the Agri-Park, it was necessary to construct a new carriageway to connect the Agri-Park with Tsiu Keng Road and Fan Kam Road and provide appropriate supporting transport facilities for the Agri-Park. The carriageway would allow access of large vehicles to facilitate the transportation of farming machinery and equipment and agricultural produce. The road would also be open to the public and visitors for participating in farming-related activities such as educational, interactive and experiential programmes. To meet the traffic demand and safety requirements, it would be designed to the "Rural Road" standard of 7.3 meters wide single two-lane carriageway in accordance with the Transport Department's Transport Planning and Design Manual.

Operation of the Agri-Park

9. 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. Information was sought on the criteria for determining rent and renewal of tenancy agreements. 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.

10. The Administration advised that rent for the farmland would be set to attain the objectives of the Agri-Park rather than for profit-making. When setting the rent, the Administration would aim at providing a level-playing field for farmers (whether operating inside or outside the Agri-Park) at an affordable level to help genuine farmers while the land resource could be fully utilized. The standard tenancy period would be five years. Considering the difficulties experienced by existing farmers in finding farmland for cultivation and securing stable tenancy agreements with landowners, the five-year term tenancy agreement with the prospect of renewal could give tenants sufficient certainty for making investment in their farms.

11. The Administration further advised that farmers operating within the area prior to the establishment of the Agri-Park as well as farmers affected by Government development projects that happened to take place within the same timeframe would be accorded priority to apply for operating in the Agri-Park. Existing farmers operating within the area of the Agri-Park might, upon production of valid tenancy agreements or supporting documents, enter into the first tenancy agreement with the Agri-Park at the same rent and tenancy period, up to a maximum of five years. To meet the overall objectives of the Agri-Park and ensure reasonable production output, each tenant would be required to submit an annual production plan to AFCD for assessment of the farming modes and overall productivity, which would form part of the tenancy conditions. Tenants who had fulfilled the agreed tenancy conditions would be considered for renewal.

12. 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. Enquiries were raised on how the establishment of the Agri-Park would support existing farmers in converting to more modernized farming operations, and whether the Administration would engage farmers to try out new agricultural practices in the Agri-Park.

13. The Administration advised that the Agri-Park would serve as a base for experimenting new agricultural practices for commercial production, thereby encouraging farms to develop and adopt modern production methods. By accommodating various types of farming operations (including conventional, organic, floriculture and modern technological farming), the Agri-Park could provide a platform for cross fertilization of farming techniques and facilitate knowledge transfer (such as agro-technology and knowledge of modern farm management). AFCD would provide technical support to farmers operating in the Agri-Park as well as advice on the production plan, marketing and consumer trends and associated technological advancement.

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.

15. Concern was 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.

Assistance to affected farmers

16. Members enquired whether any assistance or compensation would be provided to farmers operating within or in proximity to the proposed site of the Agri-Park, particularly for those who would be 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.

17. According to the Administration, 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 proposed road and other construction works in their affected farmland 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.

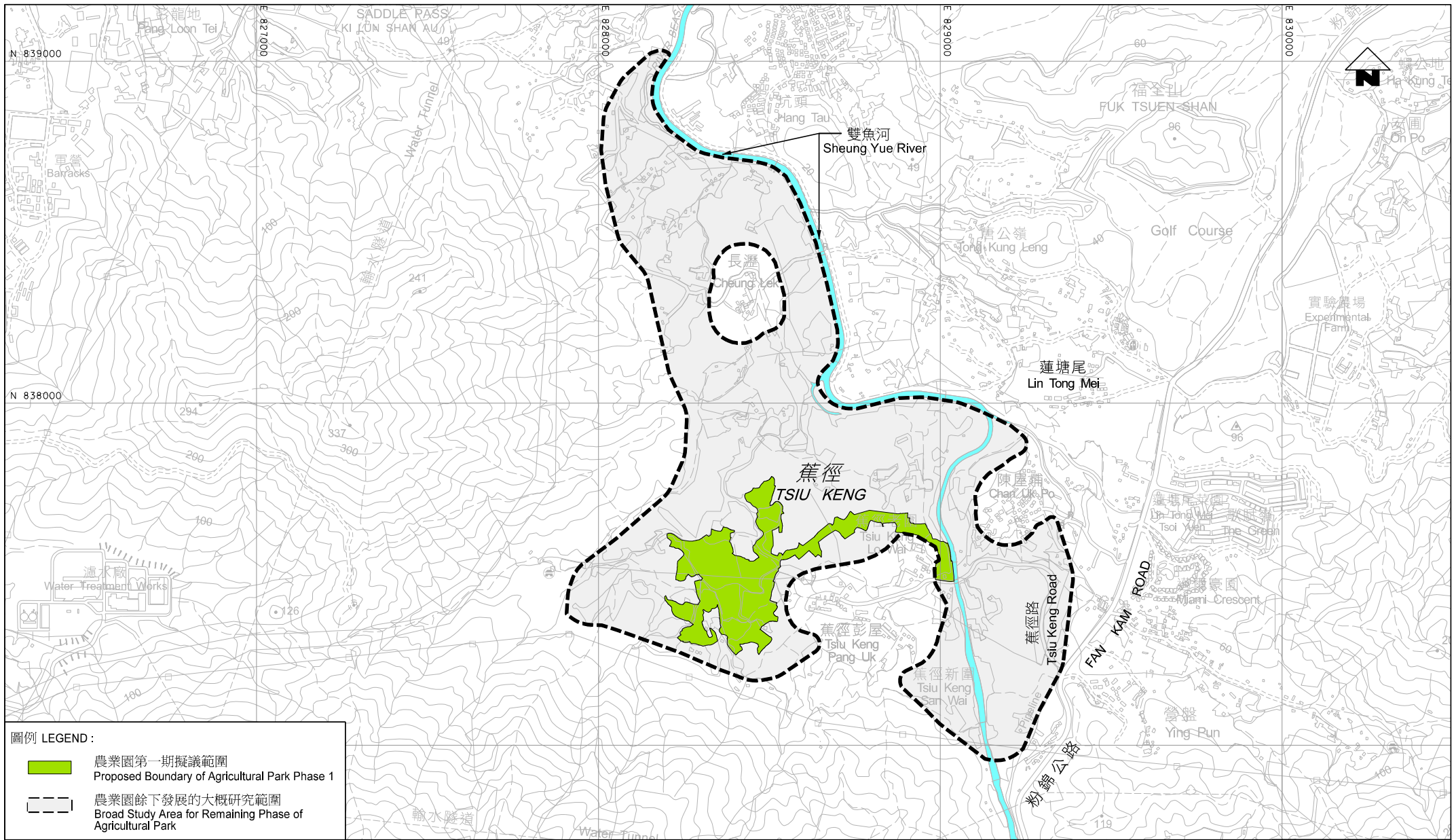
Latest development

18. The Administration will consult the Panel on the public works project in relation to the development of Phase 1 of the Agri-Park at the meeting on 8 January 2019, prior to seeking funding approval from the Public Works Subcommittee and the Finance Committee.

Relevant papers

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

Council Business Division 2
Legislative Council Secretariat
2 January 2019



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



**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>)
	10.7.2018 (Item III)	<u>Agenda</u> <u>Minutes</u>
	5.10.2018 (Item I)	<u>Agenda</u>
	13.11.2018*	Administration's supplementary information on Issues relating to the proposed establishment of the Agricultural Park (LC Paper No. <u>CB(2)255/18-19(01)</u>)

* Issue Date