

**For discussion  
on 11 June 2019**

**Legislative Council Panel on Food Safety and Environmental Hygiene**

**Financial Commitment for Culling of Pigs and Follow-up Work due to  
African Swine Fever**

**PURPOSE**

This paper briefs Members of the financial commitment for culling of pigs by the Government due to African Swine Fever (ASF) and the follow-up work to strengthen the prevention and control of ASF.

**BACKGROUND**

2. Pig samples collected in Sheung Shui Slaughterhouse (SSSH) were tested positive for ASF virus separately on 10 May and 31 May 2019. The Director of Agriculture, Fisheries and Conservation (DAFC) declared SSSH as an infected place under the Public Health (Animals and Birds) Regulations (Cap. 139A) in order to prevent the virus from spreading from SSSH. A total of 10 675 heads of pigs in SSSH were culled on the two occasions, followed with thorough cleansing and disinfection. In view that the culling operations caused direct financial loss to the concerned pig owners<sup>1</sup>, we propose providing the statutory compensation and ex-gratia payments for the pigs culled in the operations.

3. There is currently neither vaccine nor medication available for preventing or treating ASF. Spreading of the disease is complex and diverse given that there are various means of transmission. At present, the Mainland supplies over 90% of live pigs in Hong Kong and the relevant Mainland authorities have been implementing strict quarantine management and control at the source. Since August 2018, the Government has also been implementing a series of preventive measures with the trade (details are set out in LC Paper No. CB(2)528/18-19(07)). The above notwithstanding, we still need to closely monitor the development and be highly vigilant of the disease so as to be able to respond swiftly in the event of outbreaks. To this end, we propose earmarking the funding for providing the statutory compensation and ex-gratia payments to affected pig owners as soon as possible in case of similar culling operations in future.

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<sup>1</sup> Referring to people owning the pigs before the culling operations, who are usually live pig buyers or local farm owners.

## **PROPOSED COMPENSATION AND EX-GRATIA PAYMENTS**

### Statutory compensation

4. Under the Public Health (Animals and Birds) Ordinance (Cap. 139) (the Ordinance), the Government has to make statutory compensation to owners for the pigs slaughtered by order of DAFC. According to the Ordinance, the value of a pig slaughtered shall be determined by DAFC but shall not exceed \$300 per head. We propose providing the pig owners with the statutory compensation of \$300 per head for the culling operations due to ASF.

### Ex-gratia payments

5. In addition to the statutory compensation for pigs culled, we also propose providing ex-gratia payments to owners to cover the difference between the original market value of the type of pig and the statutory limit in order to alleviate the owners' direct financial loss caused by culling. We will calculate the market value of pigs culled according to types (i.e. Mainland porkers, local porkers, Mainland roasters and porkers of special breed) for the two culling operations in SSSH. We are analysing the information collected and discussing the compensation arrangement with the trade.

### Earmarking provision

6. There are currently 43 local farms in Hong Kong with about 65 000 live pigs. In the event that pigs in local farms have to be culled due to infection of ASF in future, the Agriculture, Fisheries and Conservation Department (AFCD) will calculate their market price according to their breed (i.e. porkers of conventional breed, porkers of special breed, boars and sows) and their breeding stage, taking also into account the rearing situation and average selling price of farm pigs in the past three months. AFCD is discussing with the trade on the compensation arrangements. The statutory compensation and ex-gratia payments for future culling operations in slaughterhouses will be calculated in accordance with the method mentioned in paragraphs 4 and 5 above.

## **FINANCIAL IMPLICATIONS**

7. The statutory compensation and ex-gratia payments for the two culling operations in SSSH mentioned above will be calculated with the method in paragraphs 4 and 5 above, estimated to be about \$40 million in total (including \$3 million of statutory compensation and \$37 million of ex-gratia payments).

8. In addition, we propose earmarking a provision of about \$263 million to cover the expenditure arising from culling all or part of local pigs and pigs to be slaughtered in slaughterhouses (expected to be not more than 70 000 heads).

9. A total sum of \$333 million is required to provide for the expenditure for the statutory compensation and ex-gratia payments for the culling operations

conducted and prepare for future culling operations, with breakdown as follows –

Items	\$ (million)
Statutory compensation to owners for the pigs culled in SSSH on the two occasions according to DAFC's orders	3
Ex-gratia payments to owners for the pigs culled in SSSH on the two occasions in accordance with the pig type	37
Earmarked provision for statutory compensation and ex-gratia payments for future culling operations	263
Contingency (10%)	30
<b>Total</b>	<b>333</b>

## TRADE CONSULTATION

10. The relevant government departments have been maintaining close liaison with the trade regarding the arrangements on statutory compensation and ex-gratia payments for culling pigs. Pig owners generally agree to follow the aforementioned principle of market price calculation.

## IMPLEMENTATION PLAN

11. Subject to the funding approval by the Finance Committee of the Legislative Council (FC), we will immediately provide the proposed financial compensation to those pig owners affected by the culling operations. For future culling operations due to ASF, we will follow the aforementioned principle to provide the statutory compensation and ex-gratia payments to pig owners with the earmarked provision.

## OTHER FOLLOW-UP WORK

12. In the light of ASF cases in Hong Kong, we are reviewing the existing preventive measures and contingency plans, and will proceed to follow up on areas for further improvement.

### Further strengthening measures for prevention, control and surveillance

13. To prevent ASF, control and surveillance at source are of utmost importance. Owing to the first ASF case in Hong Kong on 10 May, preventive measures against ASF have been further strengthened.

14. The General Administration of Customs (GAC) has been exercising stringent inspection and quarantine on the Mainland live pigs supplied to Hong Kong. All pigs must come from registered pig farms supplying Hong Kong and be segregated for 15 days to ensure the pigs are free of ASF symptoms before they are discharged from the farms. Monitoring and inspection will be conducted at all checkpoints during

transportation as well as in and out of the Qingshuihe transfer house located in Shenzhen. Pigs showing abnormality at any stage will not be supplied to Hong Kong.

15. The Food and Environmental Hygiene Department (FEHD) will also ensure at Man Kam To Control Point that all Mainland live pigs arriving in Hong Kong are accompanied with valid health certificates issued by the Mainland Customs. FEHD will closely monitor the health conditions of live pigs entering Hong Kong. AFCD will be immediately requested to carry out test on pigs with ASF symptoms.

16. It is an internationally recognised practice to carry out ASF screening among live pigs through inspection of clinical symptoms. On top of the current surveillance mechanism, the Government will strengthen the surveillance on pigs before they are admitted into the slaughterhouse, where samples will be sent to AFCD for testing for ASF on dead pigs found.

17. Regarding local supply of live pigs, AFCD will continue to implement various preventive measures against ASF, including suspending the importation of breeders from the Mainland, requesting pig farmers to adopt proper biosecurity measures; strictly controlling the vehicles and personnel entering pig farms; strengthening periphery of pig farms to prevent wild pigs from entering, recommending pig farmers to ban staff from bringing pork and pork products into the farms, enhancing the cleansing and disinfection of vehicles and personnel entering and leaving pig farms as well as carefully handling excrement, etc. AFCD has also amended the licence conditions for livestock keeping to ban the storage or use of swill of pork origin or in contact with pork or pork products as feed from 12 January 2019 to minimise the risk of spreading ASF virus to pigs via swill. In addition, AFCD has also recommended pig farmers to notify AFCD immediately to conduct disease investigation and collect samples for testing if pigs are suspected to be infected with ASF.

18. The two local slaughterhouses located in Sheung Shui and Tsuen Wan have strengthened the cleansing and disinfection work in various areas, including the vehicles and personnel entering and leaving the slaughterhouses, lairages and the slaughter lines, to prevent spreading of ASF virus. To ensure that vehicles could only leave the slaughterhouse after they are thoroughly cleansed and disinfected, apart from installing disinfection pool at the entrance to thoroughly disinfect the wheels of vehicles entering and leaving the slaughterhouse, equipment such as pressurised water pumps and hot water high pressure jets etc. has also been installed at SSSH. Additional manpower resources are also deployed to supervise the cleansing work in order to minimise the risk of spreading ASF virus via pig-carrying trucks.

19. The Government has reached agreement with the trade to implement the daily clearance arrangement in the two slaughterhouses in Sheung Shui and Tsuen Wan starting from 6 June 2019, i.e. all live pigs entering the slaughterhouses will be slaughtered within 24 hours. Under the new arrangement, the lairages in different locations in the slaughterhouses will be cleared for thorough cleansing and disinfection on a daily basis, thereby minimising the chance for pigs to get infected in the slaughterhouses. In addition, FEHD is planning to convert part of the cattle lairages as pig lairages in SSSH to provide more lairages for the slaughterhouse operator to accommodate pigs, with a view to facilitating more effective cleansing of the lairages.

**ADVICE SOUGHT**

20. Members are invited to note the content of this paper. We will submit the proposal on compensation and ex-gratia payments to FC, and upon its funding approval, make the disbursement as soon as possible.

**Food and Health Bureau  
Agriculture, Fisheries and Conservation Department  
Food and Environmental Hygiene Department  
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