

**For discussion
on 11 May 2021**

LegCo Panel on Food Safety and Environmental Hygiene

Progress of the Major Initiatives under the New Agriculture Policy

Purpose

This paper reports 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)1857/16-17(01), CB(2)721/17-18(01) and CB(2)1745/17-18(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. The Agri-Park is located at a cluster of about 80 hectares (ha) of farmland in Kwu Tung South in the New Territories. The site is a traditional vegetable growing zone with active crop farming activities. In the Agri-Park, currently active farmland in the site will be preserved for farming purpose as far as practicable and fallow farmland will be rehabilitated.

5. Key characteristics of the Agri-Park include -

- (i) the Agri-Park is intended for farmers engaging in commercial

crop farming. The farmland within the Agri-Park will be demarcated into different areas for conventional, organic 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;

- (ii) farmers operating within the area prior to the establishment of the Agri-Park as well as farmers affected by Government development projects within the same timeframe will be accorded priority to apply for renting farmland in the Agri-Park;
- (iii) the Agri-Park farmland will mainly be made available to the public through open application, with a view to encouraging and nurturing new agro-businesses to invest and explore new agricultural production methods on a commercial scale. The standard tenancy period is five years, which could be renewed upon expiry for tenants who comply with relevant terms and conditions;
- (iv) to ensure reasonable production output, tenants will be required to submit an annual production plan for assessment of their farming modes and overall productivity;
- (v) existing farmers operating within the area of the Agri-Park as well as farmers affected by Government development projects 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; and
- (vi) the Agri-Park will provide necessary infrastructure and facilities, including basic lodging and storage facilities, roads and footpaths for transporting farming equipment and facilities as well as produce, irrigation systems and composting facilities etc. to support the tenants.

6. The Agri-Park will be developed in two phases, with the first phase being developed in a relatively small scale, with a view to enabling its partial commissioning for use by farmers as early as possible. The Agri-Park Phase 1 is about 11 ha in area, which will provide some 7 ha of

farmland and some 4 ha for infrastructure (including roads, irrigation, basic lodging and storage facilities etc.). With the funding approval obtained from the Legislative Council Finance Committee on 2 July 2020, the land resumption for the Agri-Park Phase 1 has completed and the construction works is now underway. It is expected that the works would be completed in phases from end 2021 to 2023.

7. To meet the long-term operational needs and overall objectives of the Agri-Park, we will construct an access road of about 900 metres long in the Phase 1 area to support the operational needs of farmers and enhance the overall road network within the Agri-Park. As a multi-purpose centre will be constructed and provided in Phase 2, which will be open for the general public to participate in various educational, exchange and experiential activities related to agriculture, the aforementioned access road will connect the Agri-Park Phase 2 and form part of the overall road network of the Agri-Park, catering for the need of the tenants operating in both phases and the incoming visitors.

8. According to AFCD's farm survey results, there are 15 farmers currently operating within the area of the Agri-Park Phase 1. 13 of the existing farmers intended to rehabilitate in the Agri-Park Phase 1 and we have reserved sufficient farmland there to help them rehabilitate in the Agri-Park Phase 1 in future with priority. AFCD will also provide technical support, such as lending plowing machines and other agricultural machineries to farmers in need to help them rehabilitate as soon as possible after the relocation. The Government will strive to commence the construction of roads and other works only after the farmers affected by the road works have relocated to other farmlands within the area, with a view to minimising the impacts on farmers as far as possible. We have briefed the affected farmers in details on the relocation arrangement, including the procedure, area and location of the new farmland, rental level as well as the location of storage facilities etc.

9. The standard tenancy period of farmland in the Agri-Park is five years. Eligible tenants who meet the rental conditions and engage in commercial crop farming are entitled to rent basic lodging facilities. Generally speaking, for each tenant whose production area is 3 dau chung or above, he or she could be allocated with a unit of lodging facilities in accordance with the rental agreement. We have made reference to the median of rental level of farmlands in the vicinity when setting the rental level for the Agri-Park. We will also make reference to the changes in Consumer Price Index A when considering the annual adjustment of rental level.

10. The Government will establish the Agricultural Park Advisory Committee (Advisory Committee) with members comprising individuals from different sectors (including professionals, academia and trade representatives etc.), to advise the Director of Agriculture, Fisheries and Conservation on issues related to the management and development of the Agri-Park such as allocation of farmland, as well as terms and conditions.

11. The Government is now planning and preparing for the Agri-Park Phase 2. As the area and scope of Phase 2 is larger than that of Phase 1, the preparation work takes longer time. The relevant timetable for Phase 2 of the Agri-Park will be decided having regard to the progress and the experience gained in the development of Phase 1. To meet the farmers' needs and suit their usage, the consultant will timely review the design of Phase 2 and make suitable adjustments. In deciding the boundary for Phase 2, the Government will first consider whether the land concerned is suitable for farming or rehabilitation, and minimise the impacts on the structures and environment in the area. The consultant is conducting site investigation to assess the topography, soil quality and water source. Taking also into account the requirements of different farming modes, the consultant will put forward recommendations on the overall planning of the Agri-Park in order to achieve compatibility with the environment and facilitate better use of farmland.

Sustainable Agricultural Development Fund

12. To support the modernisation and sustainable development of the local agriculture, the Government launched the \$500 million Sustainable Agricultural Development Fund (SADF) in 2016 to provide financial support 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. As at end March 2021, SADF has received 43 general applications with 10 of them approved and commenced, involving a funding commitment of about \$97 million (details at **Annex**)¹.

13. 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. As at end March 2021, a total of 351 applications have been received and 337 of them were approved, involving a funding commitment of some \$9.8

¹ In addition, 15 applications have not been recommended by the SADF Advisory Committee, nine applications have been withdrawn by the applications, three applications have failed to meet the eligibility criteria and two applications were rejected. The remaining four applications are under processing.

million. The farming equipment being funded includes cultivator tillers, insect suction trap catchers and parts for irrigation system.

14. Since the fund was open for applications, AFCD has been promoting SADF through various means, for example, organising briefing sessions and liaison meetings; distributing promotional leaflets and/or invitation letters to local farmers and related organisations²; and arranging one-to-one consultation meetings to offer technical advice or guidance to potential applicants, with a view to helping them submit or amend their proposals. To further step up the publicity efforts for FIS, an outreach taskforce was set up by AFCD in March 2019 to visit all crop farms participating in the Local Vegetable Farm Voluntary Registration Scheme, the Accredited Farm Scheme and the Organic Farming Support Service, flower farms and livestock farms. As at end January 2021, the taskforce has visited more than 1400 farms (which are eligible but yet to apply for FIS) and proactively invited the farmers in need to submit applications for FIS. In addition, AFCD has produced promotional video clips to be broadcast through social media, introducing the scheme and eligible equipment/materials to be granted under FIS. AFCD will continue to publicise the fund through regular contacts with local farmers, local tertiary institutes as well as agriculture organisations and invite them to submit applications. On the other hand, to assist the agriculture and fisheries organisations, relevant agencies and organisations in writing their proposals, AFCD organised a workshop in June 2019 with the Open University of Hong Kong with a view to enhancing their understanding of the fund application procedures and issues that should be noted in writing proposals.

15. AFCD has enhanced the vetting procedures to expedite the vetting process and to facilitate SADF Advisory Committee (SADFAC) members' early advice on the projects, including circulation of the information of projects that have been preliminarily assessed to members for preliminary vetting early so that they can raise follow-up questions or make comments. Moreover, AFCD will arrange briefing sessions as necessary so that members can have a better understanding of the applications. Other streamlined measures include returning the applications with insufficient basic information to the applicants as early as possible, and expediting the processing of other applications. To further shorten the processing time, the SADFAC agreed in January 2020 to vet worthwhile project applications of simpler nature (such as organising field trips and training programmes) that do not exceed \$1 million by circulation of papers.

² AFCD has also participated in the HKPC SME One Fund Fair 2019 organised by the Hong Kong Productivity Council in September 2019. In addition, while processing Anti-epidemic Fund applications for local crop farms in May 2020, AFCD also distributed pamphlets to the farms to publicise FIS.

Consultancy study on Agricultural Priority Areas

16. To revitalise fallow agricultural land and apply farming practices successfully developed or tested in the Agri-Park on a larger scale, the Government commissioned a consultancy study on Agricultural Priority Areas (APAs) in late 2018 to identify relatively large areas of quality agricultural land, explore the feasibility of designating them as APAs, 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.

17. 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 and criteria, including environmental conditions (such as soil quality) and infrastructure support (such as irrigation water sources, drainage and roads). The consultant will also explore the measures necessary for the implementation of APAs. A steering committee led by the Food and Health Bureau and the Development Bureau has been set up for overseeing the consultancy study. The Government will carefully consider the outcome of the consultancy study before deciding the way forward. As the study covers a significant amount of agricultural land, it would take several years to complete.

Agricultural Co-operative Societies

18. Agricultural co-operative societies are legal entities registered and established under the Co-operative Societies Ordinance (Cap. 33). Currently, there are 54 agricultural co-operative societies, and they have been supporting the development of local agriculture. For example, with the funding support from SADF, the Federation of Vegetable Marketing Co-operative Societies Ltd. (the Federation) has been implementing a comprehensive agricultural support and promotion scheme to provide farmers with agricultural equipment, support to agricultural operations, organic certification services, as well as premium organic seedlings and seeds to enhance farmers' operational efficiency and cost-saving effectiveness. In addition, the Federation also organises weekend farm fests on a regular basis which provides a direct marketing platform for farmers to promote local organic produces.

Advice Sought

19. Members are invited to note the progress of the major initiatives under the NAP.

**Food and Health Bureau
Agriculture, Fisheries and Conservation Department
Civil Engineer and Development Department
May 2021**

Sustainable Agricultural Development Fund - Approved Projects

Item	Project title	Name of organisation	Project brief	Amount of grant approved (\$M)
1	Development of sustainable organic fertilisers for output maximisation of outdoor and indoor plant factories	City University of Hong Kong (Department of Biology and Chemistry)	<ul style="list-style-type: none">● To develop a water-soluble, odourless, stable and all-natural organic nutrient solution with an identifiable formula.● Farmers will be invited to test the nutrient solution and the outcomes will be shared with the agricultural sector in Hong Kong.	2.8
2	Management and operation of the organic certification system and its support initiatives	Hong Kong Organic Resource Centre Certification Limited	<ul style="list-style-type: none">● To implement and maintain the operation of the only internationally recognised third-party independent organic certification system in Hong Kong.● The project will provide farmers with support and simplified application procedures for organic certification in order to encourage them to take part in organic certification, as well as to promote the organic certification programme.● Relevant training will be organised for farmers.	15.0
3	Promotion of local organic agriculture and image-building of professional organic certification	Hong Kong Baptist University (Hong Kong Organic Resource Centre)	<ul style="list-style-type: none">● To deepen the public's understanding in local organic agriculture and organic certification service.● To assist organic farmers in establishing local organic agriculture brands to capture market niches.● To boost consumers' confidence in purchasing local agricultural produce.	14.9

Item	Project title	Name of organisation	Project brief	Amount of grant approved (\$M)
4	Comprehensive support and promotion scheme for agriculture	The Federation of Vegetable Marketing Co-operative Societies, Limited	<ul style="list-style-type: none"> ● To provide farmers with agricultural resources, support for agricultural operations and organic certification support services as well as quality organic seedlings and seeds. ● Support will be offered to enhance the farmers' efficiency in their daily operations and to assist them in achieving economy in their operating expenditure. ● The operation of the weekend farmers' markets will be maintained in order to provide a direct marketing platform for farmers to promote local organic agricultural produce. 	14.1
5	Improving pig health and production in Hong Kong	City University of Hong Kong (School of Veterinary Medicine)	<ul style="list-style-type: none"> ● To identify the major constraints on pig health and production in Hong Kong and to develop interventions that will result in improved productivity, pig welfare, food safety and monitoring for early warning of new and emerging zoonotic diseases etc. ● Based on the needs of individual pig farms, a tailored pig health and production management service programme will be delivered to the farms. 	15.0
6	Improving poultry health and production in Hong Kong	City University of Hong Kong (School of Veterinary Medicine)	<ul style="list-style-type: none"> ● To identify the major constraints on poultry health and production in Hong Kong and to develop interventions that will result in improved productivity, poultry welfare, food safety and monitoring for early warning of new and emerging zoonotic diseases etc. ● Based on the needs of individual poultry farms, a tailored poultry health and production management service programme will be delivered to the farms. 	15.0

Item	Project title	Name of organisation	Project brief	Amount of grant approved (\$M)
7	Technology demonstration project on application of advanced sewage treatment technologies for local pig farms	Hong Kong Productivity Council	<ul style="list-style-type: none"> ● To devise and construct an advanced and automated sewage treatment demonstration system in order to enhance sewage treatment technologies for local pig farms. The system provides remote monitoring of operation with energy recovery function. ● Seminars and visits will also be organised with a view to promoting sewage treatment technologies and facilities. 	5.0
8	An interactive and sustainable platform for new farmers (Phase I): agricultural pests commonly found in Hong Kong	The Chinese University of Hong Kong	<ul style="list-style-type: none"> ● To provide an interactive and sustainable electronic platform, which is about agricultural pests commonly found in Hong Kong, for new farmers. ● By making observation for two consecutive years, pests found in agricultural products in Hong Kong and the types of edible plants where they inhabit in various farms will be identified and recorded during different seasons. ● The findings of the survey and other related information (including methods for pest control) will be uploaded to a free and public interactive platform (i.e. mobile application and website). 	2.5
9	Version 3.0 of Hong Kong agriculture: a sustainable development project of vegetable supply chain	Sustainable Ecological Ethical Development Foundation Limited	<ul style="list-style-type: none"> ● To achieve knowledge transfer, branding, marketing, social cohesion, etc. through reviewing and exploring the development of the local vegetable industry chain, establishing agricultural community colleges and developing mobile applications to enhance the overall standard of local agriculture and farmers' competitiveness. 	5.9

Item	Project title	Name of organisation	Project brief	Amount of grant approved (\$M)
10	Hong Kong Seed Technology and Education Center	The Chinese University of Hong Kong	<ul style="list-style-type: none"> ● To develop a seed database and a physical seed bank. ● To screen climate-adapted seed varieties and provide purification service for the local germplasm. ● The project also promotes the education and information exchange of quality seeds through seminars, talks, community activities etc., thereby enhancing the capabilities of quality assessment of seeds in Hong Kong's agriculture industry. 	6.5
Total				96.7