

SUBMISSION FORM

For Hazardous Substance and New Organism Applications

Once you have completed this form

Send by post to: Environmental Protection Authority, Private Bag 63002, Wellington 6140

OR email to: submissions@epa.govt.nz

Once your submission has been received the submission becomes a public document and may be made publicly available to anyone who requests it. You may request that your contact details be kept confidential, but your name, organisation and your submission itself will become a public document.

Submission on application number:	APP203660
Name of submitter or contact for joint submission:	Bert Hughes
Organisation name (if on behalf of an organisation):	Forest Enterprises Growth Limited
Postal address:	<div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: black; width: 100%; height: 15px;"></div>
Telephone number:	<div style="background-color: black; width: 100%; height: 15px;"></div>
Email:	<div style="background-color: black; width: 100%; height: 15px;"></div>

I wish to keep my contact details confidential

The EPA will deal with any personal information you supply in your submission in accordance with the Privacy Act 1993. We will use your contact details for the purposes of processing the application that it relates to (or in exceptional situations for other reasons permitted under the Privacy Act 1993). Where your submission is made publicly available, your contact details will be removed only if you have indicated this as your preference in the tick box above. We may also use your contact details for the purpose of requesting your participation in customer surveys.

The EPA is likely to post your submission on its website at www.epa.govt.nz. We also may make your submission available in response to a request under the Official Information Act 1982.

-
- I support the application
- I oppose the application
- I neither support or oppose the application

The reasons for making my submission are¹: (further information can be appended to your submission, see footnote).

Forest Enterprises Growth Limited supports the Methyl Bromide reassessment as it's a required fumigant for log export as a result of no alternative solution being available.

Please refer to our submission letter of 28 August 2019 outlining our rationale for supporting the reassessment.

All submissions are taken into account by the decision makers. In addition, please indicate whether or not you also wish to speak at a hearing if one is held.

- I wish to be heard in support of my submission (this means that you can speak at the hearing)
- I do not wish to be heard in support of my submission (this means that you cannot speak at the hearing)

If neither box is ticked, it will be assumed you do not wish to appear at a hearing.

I wish for the EPA to make the following decision:

Progress with the MB reassessment as requested by STIMBR.

¹ Further information can be appended to your submission, if you are sending this submission electronically and attaching a file we accept the following formats – Microsoft Word, Text, PDF, ZIP, JPEG and JPG. The file must be not more than 8Mb.



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Environmental Protection Agency
 Wellington

28 August 2019

Email: EDN@epa.govt.nz

To the Environmental Protection Agency of New Zealand,

STIMBR Methyl Bromide Submission

Submission to the Environmental Protection Authority

Forest Enterprises Growth Limited supports STIMBR's request for the reassessment of Methyl Bromide (APP203660)

Executive Summary

Forest Enterprises Growth Limited ("Forest Enterprises") supports STIMBR in seeking a modified reassessment of certain controls introduced in the 2010 reassessment, namely (refer application) -

1. The definition of recapture technology be revised to reflect the highest practicable level of recapture, such as; *"Recapture technology is a system that mitigates methyl bromide emissions from fumigation enclosures such that the residual level of methyl bromide in the enclosed space is at least 80% less than that at the end of the fumigation period."*
2. The deadline for recapture technology be limited to on-port and container fumigations only, and a new deadline of a further 10 years be imposed on ship-hold fumigations, such as by amending clause 13(1) to state: *"Clause 13(2) takes effect 20 years after the date of this approval in relation to ship hold fumigations, and 10 years after the date of this approval for all other fumigations"*.
3. A change to clause 6(5), if buffer zones are to be kept, such that any refinement to the data collection requirements under clause 2 reflect the realities of a discharge of <20% of residual methyl bromide.

Introduction to Forest Enterprises' Submission

- a) Established in 1972, Forest Enterprises is one of New Zealand's leading full-service forest management and investment services company. Since inception, Forest Enterprises has been helping people grow their wealth through affordable direct investments in some of New Zealand's most exceptional radiata pine plantation forests, and by expertly managing the forests from establishment to harvest. We have about 6600 individual investors whose interests we advocate for in this instance.
- b) The management of Forest Enterprises is involved in several wider forest industry interests and therefore considers the interests of the New Zealand forestry sector as part of our responsibilities. Accordingly, in this submission we come not only from the perspective of Forest Enterprises, but also from that of the wider industry.
- c) This submission is in support of the Methyl Bromide ("MB") reassessment. Forest Enterprises considers this important in meeting phytosanitary regulations which are critical to Forest Enterprises' business, our investors, as well our employees, contractors and stakeholders.

- d) Forest Enterprises supplies volume to both the domestic processing market in the lower North Island, East Coast and Hawkes Bay regions, and also exports volume typically arising from grades that are excess to the domestic market demand. We consider having options for both domestic and export markets as being complementary to one another and important to meeting our business objectives.
- e) Forest Enterprises exports approximately 450,000 JAS of export logs from the ports of Gisborne, Napier and Wellington. Our total sales revenue is approximately US\$63,000,000 (NZ\$90,000,000).
- f) Forest Enterprises' export markets are predominantly China, however from time to time also export to India and Korea.
- g) Approximately 90% of Forest Enterprises' exported annual volume requires phytosanitary fumigation treatment (for China). As we are currently able to ship into Korea for 'on deck' cargo, and/or link into another port that can fumigate 'on deck', we have less direct exposure to the future of MB as our cargo is fumigated underdeck with Phosphine. However, what is critical to Forest Enterprises is having the options available to fumigate, as required, to maintain market access, such as via another port that can fumigate 'on deck' and/or if Korea is no longer able to accept our volume or is uneconomic to supply. Therefore, Forest Enterprises understands the critical nature of the application of Ethanedinitrile and its strategic alignment.
- h) Forest Enterprises directly and indirectly contracts Marshalling, Stevedoring and Fumigation services to undertake the log receipt, storage, inventory management fumigation and vessel loading activities enabling our logs to be exported to the destination markets. Therefore, we employ many people throughout the export supply chain.
- i) Forest Enterprises understands that the markets determine what phytosanitary (fumigation) treatments are required from New Zealand. While China does accept the use of Phosphine for a portion of the vessel being loaded ("in hold"), India however does not and therefore MB is the sole approved treatment for log supply to India. As above, India is not a significant part of our current export business but is still an important option for the future.
- j) If Forest Enterprises was required to supply China 'on deck' and fumigation was not available, debarking is not considered a robust alternative to fumigation for Forest Enterprises due to scale and grade mix. India does not consider debarking as a phytosanitary treatment either and therefore still requires MB fumigation even if the logs are debarked.

The Need for Retaining Methyl Bromide in the Treatment Toolbox

In Forest Enterprises' view, both we and the wider industry needs MB in the phytosanitary toolbox with reasonable workable controls for the following reasons:

1. Ethanedinitrile (EDN)

EDN is the one alternative fumigant for MB that is currently being considered by the Environmental Protection Authority (EPA) for registration for use in New Zealand. It is unknown if, or when, this product will be available to be used as a "drop in" replacement for both "on shore" and "in hold" MB fumigations. Forest Enterprises requests urgency from the Worksafe and EPA approval processes to ensure market access is not disrupted by the removal of MB without an alternative such as EDN being approved. At this stage, Forest Enterprises is not confident that EDN will be commercially available as a phytosanitary treatment by October 2020.

2. India

MB is currently the only fumigation accepted by India and is required for "on board" and "on shore" fumigation due to no alternatives being accepted (by Indian Authorities) or available (registered, e.g. EDN). It is critical to maintain India as an export log market in particular, as India typically consumes lower grade consignments, and some regions (e.g. Northland) require channels for these export grades due to not having domestic processing options (pulp mills).



3. Japan and Korea

While both Japan and Korea currently permit MB treatment on arrival, like New Zealand and many other countries they could demand that products are treated in the country of origin before export, and as well no longer accept MB as a phytosanitary treatment.

4. Debarking

Whilst currently accepted as a control (risk mitigation) for China, debarking is not an accepted “phytosanitary” treatment. Therefore, at any stage if deemed to not meet the phytosanitary requirements (by MPI or China), the logs are required to be fumigated. Debarking is a partial solution only, suited for high-end quality logs produced from high volume production sites. Of note, debarking is not even considered a ‘control’ in India, and all logs currently still require MB fumigation even if debarked.

For Forest Enterprises, there is not the scale or the right type of log that can be debarked effectively and efficiently. Therefore, debarking is not an alternative option to fumigation.

5. Recapture technology

Large scale “log stack” fumigation recapture has been developing since 2010, and significant learnings on destruction and reuse options have been developed. Recapture technology is in use. Significant investment has been committed by industry parties; if that recapture technology is deemed to not meet the standard (if the definition for MB recapture is not modified) the development would be a “sunk cost” and the technology rendered redundant.

If No Alternative to Methyl Bromide

Unless alternative fumigants, or alternative processes which provide viable phytosanitary treatments, can be implemented in conjunction with the approval of export market governments/authorities, access to MB as a phytosanitary treatment is imperative for Forest Enterprises.

The majority of log exports are shipped to the international markets using specially fitted bulk carriers capable of carrying logs. If “on deck” cargoes were unable to be loaded to China (due to MB being unavailable and no alternative approved) we would find:

- a) Shipping costs will increase - costs will be spread over approximately 66% of the current cargo as deck cargo will no longer be shipped due to no “on shore” fumigation.
- b) Approximately 33% more vessels will be needed to carry the displaced cargo.
- c) Due to increased shipping, the carbon footprint for log exports increases significantly (due to increased number of ships for the same volume).

Because Forest Enterprises supplies domestic sawmills and pulp mills as well, there would a direct supply impact on those domestic processors as our total harvest volume would reduce.

Forest Enterprises’ Submission to the EPA

Forest Enterprises supports the application from STIMBR, seeking a modified reassessment of Methyl Bromide, as it is critical for our business, including our staff, community and stakeholders alike.

Yours sincerely,

[Redacted Signature]

Bert Hughes RMNZIF CMinstD

[Redacted Contact Information]

