



MERRILL & RING

Submission by Merrill & Ring

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To
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APPLICATION FOR THE REASSESSMENT OF METHYL BROMIDE APPLICATION NUMBER AP203660

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1: M&R INTRODUCTION

M&R Forestland Management Limited T/A Merrill & Ring (M&R) provide Forest Management Services in the wider Picton, Marlborough and East Coast regions. M&R clients are private forest owners, international investors and local authorities. On behalf of M&R clients, M&R exports logs from the Port of Marlborough (Picton) and Eastland Port (Gisborne). M&R Manage over 25,000 hectares of commercially grown forest plantations.

M&R is in support of the STIMBR Methyl Bromide (MB) reassessment.

Through its agent, M&R contracts Marshalling, Stevedoring and Fumigation services at the Port to undertake the log receipt, storage, inventory management, fumigation and vessel loading processes. Accordingly, M&R employ a number of contractors and their staff to undertake these activities as well there are some 5-6 ancillary local jobs that relate directly to these activities.

M&R's key export log market is China. As a result, the requested reassessment is important to the M&R business as all of the China cargo has to be fumigated before arriving at destination, with MB one of the fumigants required to support the log export program. Albeit, there is no MB fumigation in Picton, other ports support the program due to having the ability to fumigate on port which is important to the Marlborough Region and M&R.

2: MARKET OVERVIEW

Growth in key export markets such as China and India are vitally important for the NZ log export trade and clearly the M&R business. These two countries alone in 2019 consumed over 70% of NZ's log exports and China was 100% of M&R exports in 2018, but M&R has exported to India historically as well. Both China and India have unique Importing Country Phytosanitary Requirements (ICPRs) requiring logs to be fumigated with MB in NZ.



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Unless alternative fumigants or processes which provide viable phytosanitary treatments can be commercialised (in conjunction with the Chinese and Indian government acceptance), the ability to have continued access to MB as a quarantine treatment is imperative.

M&R is committed to supporting reduced MB use (where alternative options are available) and reducing MB emissions through applying recapture technology to assist with meeting the New Zealand Montreal Protocol obligations and general industry 'licence to operate' objectives.

Through the fumigation levy's M&R provides significant funding to support the development of;

- Effective phytosanitary alternatives
- Registration of fumigant alternatives as replacements for Methyl Bromide
- Reductions to Methyl Bromide emissions through ongoing development of recapture technology for "large" log scale fumigations.

3: SUBMISSION

M&R support 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.

M&R support the STIMBR application and requests the EPA to:

1. Amend the current recapture definition. M&R **highlight** that the current definition of recapture down to 5ppm in the headspace of fumigated logs is currently unachievable.
2. Provide clarity regarding the recapture monitoring requirements and that these are to be physically achievable based on science for large scale (log stack) fumigations and available technologies.
 - a. M&R support a change to recapture 80% of the MB remaining at the end of the fumigation.
3. Extend the deadline October 2020 by one year to implement necessary recapture infrastructure in Tauranga, Napier and Northport to the proposed 80% standard.



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4. Differentiate “*In hold*” recapture and request further extension to the recapture timelines for “*in hold*” fumigations to allow for further development and scalability of recapture technology.
5. Modify Buffer Zones to reflect recapture controls.
6. Ensure that MB with appropriate recapture technology remains in the biosecurity toolbox until alternative fumigants or processes are commercialised for all parties required to fumigate for phytosanitary and biosecurity purposes.

4: THE NEED TO RETAIN METHYL BROMIDE

M&R and the wider industry needs MB in the phytosanitary toolbox with reasonable workable controls for the following reasons:

- 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 NZ. 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. Pan Pac request 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 from all reports from STIMBR, M&R are not confident that EDN will be commercially available as a phytosanitary treatment by October 2020.
- 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 require channels for these export grades due to not having domestic processing options.
- 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.
- Debarking.
Whilst currently accepted as a control (risk mitigation) for China it is not an accepted “phytosanitary” treatment and 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 the Marlborough region, there is not the scale or the right type of log that can be debarked effectively and efficiently and therefore debarking is not an alternative option to fumigation.



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- Recapture technology.

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

Yours Sincerely

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