

Tuesday 27<sup>th</sup> August 2019

**FOREST 360 (F360) Submission to the** Environmental Protection Authority

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## **F360 SUPPORT STIMBR's request for the reassessment of Methyl Bromide (APP203660).**

### **IN SUMMARY**

**F360** 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.

### **INTRODUCTION TO F360 SUBMISSION**

F360 provides professional, skilled and reliable forest harvesting and marketing services to private owners across the North Island. As part of F360 comprehensive forestry related service offer, F360 provides logs to both the domestic and export markets. F360 consider it important that the Methyl Bromide (MB) reassessment occurs to meet the ongoing needs for phytosanitary treatment to those export markets that require it. The successful reassessment is critical to the F360 business, our forest owners as well our employees, contractors and supporting stakeholders.

F360 exports approximately 700,000 JAS of export logs from 5 New Zealand ports with a total sales revenue of approximately US\$90,000,000 (NZ\$135,000,000).

- F360 export ports are Northport, Port of Tauranga, Eastland Port (Gisborne) Napier Port, Port Taranaki and Centre Port (Wellington).
- F360 export markets are China, India, Korea and Japan.

Approximately 85% of FOMS exported annual volume requires phytosanitary fumigation treatment. Approximately 30% of this volume is required to be treated with Methyl bromide.

F360 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, F360 employ many individuals in the export log supply chain.

F360 export markets of China, India, Korea, and Japan 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. Currently China required “on deck” cargo to be fumigated with MB or debarked as long as the phytosanitary requirements are achieved on delivery to market.

Debarking is not considered a robust alternative to fumigation for F360 due to scale and port spread, grade mix and market mix. India does not currently accept debarking as a phytosanitary treatment and therefore still requires MB fumigation even if the logs are debarked.

### **THE NEED FOR RETAINING METHYL BROMIDE IN THE TREATMENT TOOLBOX**

In F360’s view, both F360 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. F360 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 F360 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 (e.g. Northland) requires channels for these export grades due to not having domestic processing options (pulp mills).

- 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 F360, 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 anyway.

- 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

**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 F360 and clients.

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) F360 would find:

- a) Shipping costs will increase as 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).

F360 export log volumes will likely significantly reduce if MB was unable to be used for the required phytosanitary treatment. This will likely have significant adverse effects on the forest industry, asset values and the wider regional economies from which F360 operate. Of note, export markets utilize specific grades, lengths and quality characteristics that cannot always be processed in the wider NZ domestic market (due to processing capacity and quality of fibre required by domestic processors). If NZ export log volumes were to decline as a result of fumigation restrictions (acceptable fumigant options and cost) the NZ total harvest levels will also decline therefore dramatically reducing the volume available for the domestic processing sector – this is true for F360 and our domestic customers.

**F360 REQUEST FOR CHANGE TO MB RECAPTURE CONTROLS**

F360 support the STIMBR application and requests the EPA to:

- Amend the current recapture definition. F360 **highlight** that the current definition of recapture down to 5ppm in the headspace of fumigated logs is currently unachievable.
- 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.

F360 support a change to recapture 80% of the MB remaining at the end of the fumigation.

- Extend the deadline October 2020 by one year to implement necessary recapture infrastructure in Tauranga, Napier and Northport to the proposed 80% standard.
- 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.
- Modify Buffer Zones to reflect recapture controls.
- 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.

**F360 SUBMISSION TO THE EPA**

F360 supports the STIMBR application for a modified reassessment of MB for its ongoing use as a fumigant for "in hold" and "on shore" fumigation as required by the export markets. This reassessment is critical for the F360 business including the forest owners we serve as well staff and stakeholders alike.

**Yours sincerely**

