

---

**TRANSCRIPT OF PROCEEDINGS**

---

**ENVIRONMENTAL PROTECTION AUTHORITY  
HEARING**

**APP203660 - METHYL BROMIDE  
Hazardous Substances Reassessment**

**VIRTUAL HEARING  
on 12 August 2020**

**DECISION-MAKING COMMITTEE:**  
Mr Tipene Wilson (Chair)  
Dr Ngaire Phillips  
Dr Derek Belton

## Hearing Proceedings

Day 02 Tuesday 12 August 2020

<b>Time</b>	<b>Name</b>	<b>Representing</b>	<b>Topic</b>	<b>Documents Submitted / Presented</b>	<b>Transcript Ref. Page no's</b>
8.30 am	Chair		Introduction		130
8.44 am	Chris Rayes	Rayonier Matariki Forests	Representation	Submissions	134
8.54 am	DMC		Questions		136
9.01 am	Submitters		Questions		139
9.13 am	Anne-Marie Arts	United Fresh NZ Inc	Representation	Submissions	142
9.42 am	DMC		Questions		149
9.55 am	EPA		Questions		153
10.01 am	Applicant		Questions		154
10.02 am	Submitters		Questions		155
10.05 am	Ken	MPI	Pre-export practice example		156
10.08 am	Submitters		Questions		157
10.11 am	Duncan Park	T&G Global Ltd	Representation	Submissions	158
10.27 am	DMC		Questions		162
10.33 am	EPA		Questions		164
10.33 am	Applicant		Questions		164
10,36 am	Submitters		Questions		165

10.43			Adjourn		168
-------	--	--	---------	--	-----

[8.30 am]

INTRODUCTION

5 CHAIR: Kia ora. My name is Tipene Wilson. I'm the Chair of the Decision-making Committee to hear this application. I'll just ask my colleagues, my fellow members, to introduce themselves.

DR PHILLIPS: Morena. I'm Ngaire Phillips and I'm a member of the DMC.

10

DR BELTON: Morena. I'm Derek Belton, also a member of the DMC.

CHAIR: Thank you. Welcome all along. We'll do the paperwork and the admin first and then get into the business of the day. So, what we are to do is to hear the evidence for and decide an application on APP203660 to reassess methyl bromide. We do acknowledge that the hearing is being held virtually and was scheduled to be at a number of venues over the course of the hearing. Unfortunately, it was not possible, due to scheduling conflicts, for the DMC or the Decision-making Committee to convene the hearing in person until mid to late September. Therefore, in the interests of time the hearing was convened with the DMC in attendance virtually. However, you'll all be aware now of the changes in the Covid-19 alert levels and so we will no longer be using EPA-provided venues for submitters participating from Auckland, which was to be today, Tauranga tomorrow, then Wellington on Friday. This hearing will now be conducted as a fully virtual hearing. Submitters will continue to receive links to participate via Zoom videoconferencing. Others can observe the hearing by following the links in the hearing page or the hearing tab or link which is a paper on the EPA website.

15

20

25

30

35

40

45

The hearing is specifically to address this application. The HSNO Act does not permit the Committee to make decisions about other substances that are currently approved or going through their own application process as part of this process, nor is it the Committee's role to assess methyl bromide recapture technologies. The Committee shall consider and decide any application. Just to be clear, it is not the Committee's role to assess methyl bromide recapture technologies. The Committee shall consider and decide any application other than an application which is the subject of a ministerial decision under section 68 of the HSNO Act and shall have, in relation to any such consideration and decision on any matter, the same amenities and privileges are as produced by a District Court judge. The object of the hearing is for the Decision-making Committee to be as informed as possible on the matter on which we are charged with making a decision.

The way proceedings will run is we did hear from the applicant yesterday, who introduced the application and then we also heard from

5 the EPA staff who presented the staff report and then from the submitters who have indicated their wish to be heard and that will continue today. After submitters, the Committee will have final questions and then the applicant will have the right of reply, at which stage the hearing will be adjourned for deliberation by the Committee.

10 I just remind everyone that the DMC has read all the information provided from the applicant and submitters. The parties have been asked to pre-circulate any additional information they intend to produce at the hearing. It does not need to be read verbatim. Parties should highlight the key matters of the information and we will be restraining excessive repetition or matters we consider irrelevant to the application we are hearing.

15 Just as you saw yesterday, because the DMC has read the contents of the information and it is very comprehensive -- you have heard this number a couple of times already. There is over 6,100 pages of information. So, because we have read the information provided, there may be few or no questions for submitters. Please don't take that as a lack of interest but more as a comment on how comprehensive the information has been that has been provided to us.

20  
25 Please speak clearly when asking or answering questions for audio recording purposes and please also, for the audio record, if you are putting a question then state your name and also the organisation that you're part of so that the listeners have context.

**[8.35 am]**

30 In terms of housekeeping, because we're not in a physical venue - well, we all are in a physical venue but not an EPA-provided venue - please manage your own health and safety accordingly.

35 If there are any media present, the hearing will be made public. I believe this is being live streamed and it is also available via remote access technology except to the extent that any restriction on sensitive information applies. So, representatives of the media are, of course, free to attend and report the proceedings. Given that we are not in any physical location this is a moot point but if the opportunity or request is made then any request for media comment, media observation or recording needs prior permission from the DMC.

40  
45 Please note, though, that because the hearing is being conducted via Zoom, it will be available online to the public and is recorded both audio visually and transcribed. So, transcriptions of the hearing will be available the next day and will be located in the hearing section of the Methyl Bromide Consultation page. For completeness and context, please provide your presentations so these can be uploaded in the same

place. Hopefully those who provided presentations yesterday have had a chance to do that.

5

I do note in respect to media interviews that the DMC are not available for media interviews. The EPA will be available to provide process information to the media. All media enquiries should be directed via [media@epa.govt.nz](mailto:media@epa.govt.nz).

10

So, you've heard introductions now from the Decision-making Committee and it is our privilege to be part of this process. I now ask the EPA team to introduce themselves and then on to the applicant and other submitters today. So, EPA.

15

MR BAILEY: Morena. (Māori content) I'm Lee Bailey. I'm the senior advisor in the reassessments team at the EPA and I've been the application lead on behalf of the EPA for this process.

20

MR DEEBLE: Kia ora. I am Ben Deeble. I am a reassessments advisor for the EPA and I've been working on this process as well.

25

MR BAILEY: In the room with us we have Milana Blakemore who is a team leader for reassessments, Marree Quinn who is an administrator helping support the functioning, running of the hearings, and we also have Matt Allen who is a senior advisor and Dan Phipps who is an advisor. They're also in the reassessments team and they'll be supporting the Decision-making Committee to write the decision once they get to that point.

30

CHAIR: Thank you. Mr Slyfield?

35

MR SLYFIELD: Kia ora. My name is Morgan Slyfield. I am the lawyer for STIMBR, the applicant for this reassessment, and with me - and you'll probably see these names on your screens hopefully - is Mr Gear. Sitting with him is Mr Hammond, who the hearing heard from both of them yesterday. We also have Duncan Bellinger in the call and Jack Armstrong is here too. That's the team at present.

40

CHAIR: Thank you. We have a number of submitters online. This was a little bit messy yesterday but I do invite you to introduce yourselves so we can see your names. We'll start with Mr Rayes. You're in the top right of my screen, so away you go.

45

MR RAYES: Thank you. Chris Rayes. I'm the Marketing Director for Rayonier Matariki Forests.

MS BARRY-PICENO: Kate Barry-Piceno for the Tauranga Moana Fumigant Action Group.

CHAIR: Kia ora.

**[8.40 am]**

5 MS DIJKSTRA: Tēnā koutou katoa. Ko Stephanie Dijkstra (Māori content) and I'm a member of the Ngāi Tahu HSNO Kōmiti.

CHAIR: Kia ora.

10 MR LAWES: Kia ora, all. I'm Jacob Lawes and Anne-Marie will also be with us shortly and we are representing United Fresh and the New Zealand fresh produce industry.

CHAIR: Thank you.

15 MR HALLET: Kia ora, it's Paul Hallet here from MPI.

MS SMITH: Good morning, it's Nicole Smith, a resident of Mount Manganui and member of the Tauranga Moana Community Action Group.

20 MS JONES: Good morning, Emma Jones here from Clear the Air Mount Manganui.

CHAIR: Mr Weiss? Okay, everyone else can see their names, thank you. This is a liability when we are face to face. So welcome along one and all. During the webinar as we saw yesterday if you look in the centre right of your Zoom screen there is a chat there. If you wish to speak you can raise your hand or something, I'm still not quite sure how to do that but we worked it out yesterday and so raise your hand or put a question in the chat and through Marree Quinn, who is our administrator, she could navigate that work a lot tidier yesterday than people coming in over one another asking questions. But, of course, if your technology skills fail you as mine did yesterday then by all means ask your questions online after the submitters have had their chance to have a talk.

35 In terms of how we deal with submitters, the submission that we will hear from today, you will see we have presentations from three people but at the end of our three groups of submitters and at the end of each submission the Decision-making Committee will ask any questions that it has and then we will got to EPA staff, to the applicant and then to the submitters that are online.

40 So the key point - and I will reiterate what I said yesterday - the questioning is an opportunity for cross-examination, it is an opportunity to ask questions of clarification or explanation. Nor is it  
45 the time for you, as a submitter, to submit your submission. There will be a time allocated for you. So just be aware of that and if you are restrained in some way that is just a reflection of the process that you are involved in as opposed to a reflection on your comment itself.

That is the overview of the day. We will go now to Mr Rayes from Rayonier Matariki Forests.

5

SUBMISSION 127536 - RAYONIER MATARIKI FORESTS

CHRIS RAYES PRESENTING

10 MR RAYES: Thank you very much and thank you for the opportunity to present on behalf of Rayonier Matariki Forests to this Decision-making Committee.

15 As you will have seen in the original submission Rayonier Matariki Forests is one of the largest forestry land owners and managers in the country. We have estates that extend from Northland to Southland which helps us to have a greater appreciation of the regional differences. As one of the largest forest owners we support the domestic industry with approximately 50 per cent of our annual harvest being sold to the domestic market. This includes the better products that  
20 come from our forest estates.

**[8.45 am]**

25 Log exports themselves enable us to recover value from the trees which are not acceptable or not marketable within the New Zealand market. It is important that we continue to be able to export logs across a range of markets and countries. Currently export log fumigation is restricted to just three North Island ports, Marsden Point, Port of Tauranga and Napier.

30 In terms of methyl bromide use, we use methyl bromide to fumigate deck cargos for China shipments and both on deck and under deck cargo for India shipments. Obviously the use of fumigation through the service provider Genera is managed under strict work safety rules and conditions.

35 If methyl bromide is prohibited or the use of methyl bromide is prohibited before an alternative operation is approved, such as BDN, then fumigation of China deck cargoes will cease and all shipment to India will cease.

40 I would like to give some commercial range to that so it may help people appreciate the impact of fumigation with methyl bromide stocks. There is no alternative for India. India is a market that's approximately 120,000 to 150,000 cubic metres a month for New Zealand exporter in Rayonier Matariki's case we ship between eight  
45 and ten cargoes per year. That is approximately in volume terms 260,000 to 320,000 cubic metres or a value of about NZ\$50 million per

annum. For New Zealand Inc the value loss if we can no longer export to India is approximately NZ\$250 million per annum.

5 In respect to China, under deck cargo can be fumigated during the voyage using phosphine fumigant and that is intended to continue, however China on deck cargos require either an alternative disport such as Incheon, South Korea, where they do not have a fumigation prior to shipping requirement or it requires an alternative treatment, such as debarking, or an alternative vessel type, such as a Supramax, which loads all cargo under deck.

10 I will deal with each of those in turn but the Korean market is mature, it is declining and already oversupplied. If we lose the option to export deck cargos either to China or India then there will be an increasing pressure on an oversupplied market in South Korea.

15 In terms of debarking, there's limited debarking available in Tauranga and Marsden Point and nothing in Napier, which is a key finishing port for Rayonier Matariki. The standard of debarking is very, very strict. In fact depending on the politic relationship between New Zealand and China, it can easily be used as a non-tariff barrier by Chinese customs and quarantine to restrict or minimise New Zealand's log exports to China. China takes approximately 70 to 80 per cent of all New Zealand's exports of logs.

20 The third option, using large vessels, while it is taken opportunistically, those vessels are rare visitors to New Zealand waters due to the small scale of our New Zealand imports. It is not a reliable option, it is also a very expensive and volatile option.

25 I have then moved on to try and give the Decision-making Committee a sense of the cost impact if we can no longer fumigate with methyl bromide. So we will deal with that on a freight basis first.

30 **[8.50 am]**

35 At the moment log shipment to Asia cost approximately NZ\$33 a cubic metre on a standard logger. Deck cargo is approximately one third of the total shipment and if we are unable to fumigate on land and load that cargo on the vessel deck then it increases the cost per cubic metre of the under deck cargo and increases the rate to about NZ\$50 a cubic metre, or an increase of \$17 a cubic metre.

40 The added freight costs to New Zealand cargo cannot be passed on to the customers, making New Zealand exports uncompetitive. There are alternative log suppliers and there are alternative products, which are already making the market very, very challenging for us.

5 The estimated impact on Rayonier Matariki, if there was an immediate drop in harvest of about 35,000 cubic metres per month, which is equivalent to three deck cargos that we could no longer fumigate. Loss income from that is approximately NZ\$6 million. Loss of regional jobs, estimating 5 to 6 harvesting crews of approximately 25 to 30 people plus associated transport and ancillary service in the regions. That is the key, we are not Auckland based. Our forests grow in the regions from Northland to Southland.

10 The increase of shipping costs adds approximately NZ\$1.1 million per month to our shipping. There is a potential loss of forest value because we are restricting the markets in which the lower value products may be sold, for example, India. Longer term it could lead to a disincentive to invest in New Zealand forestry altogether, which flies in the face of  
15 the government policy of 1 billion trees.

20 The next point I would like to touch on is really around payment risk. Currently the main instrument for payment is called an irrevocable letter of credit or "LC" for short. Typically, in China those LCs are 90 days of term. In India they're 150 or 180 days of term before the LC falls due for payment between the banks. The concern we have, and we had already taken this step back in June before the six-month waiver was announced, was that the 150 and 180-day term LCs extend far  
25 beyond the cut-off for the use of methyl bromide. Where's the incentive for the customers to actually honour those LCs? The risk of non-payment increases. Even though it's a bank-to-bank instrument if a customer chooses not to collect the bills of lading when they're presented in the destination country there is no payment.

30 We are very concerned that if there 28 April 2021 is the deadline for the use of methyl bromide we will have to stop shipping to countries such as India well before that deadline to ensure that the commercial risk is not too great for Rayonier Matariki to bear.

35 So, in summary, for regional employment, economic wellbeing and forest investment it's essential the careful use of methyl bromide to fumigate log cargo in ships' holds, on land and in containers continues under realistic conditions of use until a viable alternative is approved or the industry is capable of full recapture. Thank you.  
40

#### QUESTIONS

CHAIR: Kia ora. Thank you. Dr Phillips, any questions?

45 DR PHILLIPS: Thank you, Mr Rayes. I don't really have any questions, I don't think. Actually, I'll ask one. It was just a clarification around, you talked about the possibility of sending -- this is what I took it to be. You're

sending logs to China via Korea; is that right or was that meaning that you actually sell them to Korea?

[8:55 am]

5

Because then you talked about the market being saturated so I was a bit confused about how that would affect them being sold in China.

10 MR RAYES: Sorry, as you know, you become an expert in things and then you assume everybody knows the same as you do. What we do, the Korean market is a regular buyer of radiata pine. We load the deck of the ship with radiata pine that does not require any sort of treatment and discharge in Korea and that allows the ship to continue on to ports in China, with the under-deck cargo for the Chinese.

15

DR PHILLIPS: Okay. So you're killing two birds with one stone basically.

MR RAYES: Exactly.

20 DR PHILLIPS: And I also wanted to thank you very much for that really good description of the letters of credit because it is quite complex obviously and I really appreciated your description in your evidence for that, so thank you very much.

25 MR RAYES: Thank you.'

DR PHILLIPS: I don't have any other questions, thank you.

CHAIR: Thank you. Dr Belton.

30

DR BELTON: Thanks, Chair. Mr Rayes, I add my thanks to Ngaire's for the thoroughness of your submission. The one, it's sort of a question, it's merely asking you to comment, in a way, more than questioning. But we do have a couple of submissions from people who are not presenting to us but who are log exporters who manage to sell all their logs for the moment without methyl bromide fumigation. If I read and understand their submission correctly, they're using Japan and Korea for the deck logs and therefore don't require fumigation and debarking somewhere in the process as well. I'm just interested in your comments on that. I guess it's a competitive market and who's got access where, but what's Rayonier's perspective on that? How achievable would that be for you and where does the use of methyl bromide fumigation fit into your decision-making about what markets you're servicing, please?

35

40

45 MR RAYES: That's a big question or a big comment. Effectively there are three markets that do not require fumigation: Japan, Korea and Taiwan. Those markets are all mature and they're all well-supplied, if not over-supplied. So there is a lot of competitive tension to supply into those

markets. We have approximately 19 per cent market share in South Korea, so we're loading our ships to China with as much Korean deck cargo as we possibly can to minimise the use of methyl bromide.

5 For Matariki's forest estate, which is very strong in the Hawkes Bay, we need to finish the vessels there and typically we will pick up a cargo from Southland and Bluff and then finish the cargo in Port of Napier and then send the ship to India. So we don't have an alternative for that if the methyl bromide use is stopped. If you like, we're operating at our  
10 optimum level to minimise the use of methyl bromide and keep moving all of the product that we have.

15 For those of you who know Southland, the log type, the product type, wild radiata pine is quite different to the radiata pine that is produced in the central Bay of Plenty or East Coast or Northland. It's well-suited to the Indian market, not so well-suited to markets like China or South Korea. In fact, they actually don't like the product so we have a challenge there in the mix we have to sell.

20 So, in answer to your question, I think New Zealand log exporters in general are trying to minimise the use of methyl bromide because with the use comes the risk of port congestion and delays, particularly where you have to lay out a deck cargo, fumigate under covers, and then you're fumigating the under-deck cargo on the vessel. You have to take  
25 the crew off. But the vessel is tied up alongside for about two extra days to do that and it all goes to cost and freight rate, which the ship owners charge us as the charterers.

[9:00 am]

30 So economically we're trying to do as little methyl bromide fumigation as possible. I don't believe there is sufficient capacity in the markets to absorb all of the cargo that's being methyl bromide treated today as there is not sufficient capacity for debarking either.

35 DR BELTON: Thank you. That's it from me.

MR RAYES: Thank you.

40 CHAIR: Thank you. Mr Rayes, I have no further questions from the DMC. I'm going to pass on to the EPA team.

MR BAILEY: The EPA have no questions.

45 CHAIR: Okay, thank you. Mr Slyfield?

MR SLYFIELD: No questions from STIMBR, thank you, Mr Chair.

CHAIR: Thank you. Any submitters have any questions or clarification or explanation please? Ms Smith.

5 MS SMITH: Thank you. Who will India get logs from if New Zealand stops using methyl bromide?

10 MR RAYES: There's supply from Uruguay at the moment. Uruguay pine forests are being cleared to make way for eucalyptus for a very large pulp mill investment. So that supply is there in the short term. It's a range of grades that are similar but different to radiata pine and once that supply stops then again we don't know where the supply would come from for our customers in India.

15 MS SMITH: You've talked about the cost profitability issues with the need to, I think, treat below deck and obviously there's a cost associated with recapture. How much has Rayonier spent on recapture technology in the ten years since the last EPA announcement?

20 MR RAYES: I'd have to pass that to STIMBR but we do contribute to STIMBR on a voluntary levy basis and have been doing that for the past ten years. I believe STIMBR's invested tens of millions in the overall recapture technology.

25 MS SMITH: So, sorry, how much is the amount you pay to STIMBR?

MR RAYES: Sorry, I can't answer that.

MS SMITH: What about how much you've spent on this process?

30 MR RAYES: In terms of this process, again I don't have the exact figures, I'm sorry.

MS SMITH: Okay, thank you.

35 CHAIR: Thank you, Ms Smith. Any other questions? Okay, thank you. We will be hearing, I might add just for a matter of clarification, from a number of submitters like Mr Rayes, who are members of STIMBR but they themselves are not as an individual company or presumably they're not the applicant so those questions should have been directed at the applicant yesterday or during the right of reply there will be a question period. It's just a matter of clarification.

Ms Barry-Piceno, please.

45 MS BARRY-PICENO: Thank you, sir. I have two questions to Mr Rayes. First, just to follow on from Ms Smith's question. As I understand it, and please clarify this for me, you talked about Uruguay with a range of grades. Is it correct that New Zealand's grade of radiata is considered worldwide as one of the best grades of the radiata pine?

MR RAYES: I don't know if it's considered worldwide. Radiata pine from New Zealand is a utility timber that is well placed for clearwood production, furniture manufacture, obviously structural timber manufacture, and for plywood manufacture and obviously the pulping process. If you think of it as a sports team where you have specialist positions and then you have utility players who can play a number of positions well but they're not a specialist, radiata pine is one of those utility players that does a lot of things well but is not a specialist in any one particular area.

[9.05 am]

MS BARRY-PICENO: So is that the reason why it's popular in countries like India where, for example, that sort of broad range of uses at a reasonable price is where it sits in the market, which is comfortable in those growing economies such as India?

MR RAYES: It certainly is, yes.

MS BARRY-PICENO: Okay. So just to follow from that, from what you said to Ms Smith, it appeared that whilst Uruguay may be the appropriate immediate response for a supply issue, if New Zealand is best placed in terms of a certainty of supply and that consistency of quality of supply, what's your view, then, that if, for example, the EPA was to decline this - in terms of methyl bromide and India being an outlier in the context of its position on use of methyl bromide and requirements for that to be done at source - wouldn't that put significant pressure on India as a country to revisit its environmental standards similar to other countries if it really was going to be in a position where it's relying on New Zealand to be that primary supply?

MR RAYES: Yes, that's one thing that would occur but you have to remember the Indian customers are generally family businesses that are -- they're wealthy in terms of assets but they're not wealthy in terms of cash flow. They're very, very sensitive to any movement in price and will look to seek alternative products at more competitive prices. A good example of this is sawn timber, which is making inroads into India at the moment due to the massive spruce salvage operations from central Europe, which are being caused by the beetle infestations. It has created a large supply of very cheap raw material. Now, that raw material is really only suited to construction and this is where radiata has a benefit that it can be peeled, it can be used for furniture, it can be used for construction. But we're facing these sorts of challenges all of the time. Prior to central Europe salvage, it was British Columbia and the mountain pine beetle salvage. As we know, at the moment we've got Uruguay, which are liquidating pine forests in favour of eucalyptus hardwood forest.

MS BARRY-PICENO: But it is credible, then, to consider that the Government in India itself may actually improve its environmental standards or approach consistent with China and other countries, isn't it?

5

MR RAYES: Oh, look, absolutely. I believe India has signed up to the same protocols that New Zealand has.

MS BARRY-PICENO: Just my other question that I have relates to your comment around regional employment. We heard yesterday from STIMBR one of the primary rationale that they are saying with regards to the efficacy of why they want methyl bromide to continue to be used is the cost of double handling if the logs were treated offsite, for example, prior -- rather than the ship hold arrangement that they see currently. Wouldn't the double handling, in effect -- what that really boils down to is additional jobs because the double handling would be, in fact, another layer of employment that would occur in that double handling?

10

15

MR RAYES: Look, I think, yes, there would be a small number of jobs created. Obviously, you need someone to operate the materials handling equipment to load and unload the logs in a secondary yard. You need someone to operate the tractor unit that pulls the trailers of logs or the truck that carries the logs to the port itself. But I don't believe the jobs created there would in any way offset the potential loss of jobs from the harvesting and transport ancillary industries.

20

25

**[9.10 am]**

MS BARRY-PICENO: But accepting your answers to the previous questions, that may just be a temporary situation, wouldn't it, if, in fact, New Zealand's position on methyl bromide was such that it was influential in having India revisit its current standards?

30

MR RAYES: My experience with India, we've been selling logs into India since the 1990s. It's one of those markets that's full of promise with 1.3 billion people, but weak on delivery. We've managed to carve out a market share of approximately 1.5 million cubic metres a year and it seems to plateau there and every time you expect more growth out of India there is a new development such as a Covid event or a financial banking event or an election. It's a very tough market and I don't believe pushing any of the changes of regulations through the layers of bureaucracy in India will be a quick job as we've been trying to do that as a country for some time already, in fact some years already.

35

40

MS BARRY-PICENO: So it comes down to whether or not New Zealand is prepared to pay the environmental price for that, is that really what you're saying, to continue with that market?

45

MR RAYES: Look, I'm not saying that at all. I think it's a commercial decision for New Zealand and New Zealanders to sustain our overseas earnings and level of income in a very managed way.

5 MS BARRY-PICENO: Isn't it also an environmental question, though?

MR RAYES: Look, if we can manage the use of treatments such as methyl bromide effectively, then where's the issue?

10 MS BARRY-PICENO: So the question is effectiveness in terms of balancing environmental concerns with the commercial ones that you've raised?

MR RAYES: It's a question of balance, you're right.

15 MS BARRY-PICENO: Thanks. That's all I have, thank you.

MR RAYES: Thank you.

20 CHAIR: Thank you. Were there any other questions? All right, Mr Rayes, thank you for your time. We appreciate it. You're of course welcome to stay. It's gripping stuff.

MR RAYES: Thank you very much.

25 CHAIR: All right, thank you. So, now moving on to -- we hear from, at this part of the New Zealand construct, if you like, Ms Arts from United Fresh New Zealand Incorporated.

30 SUBMISSION 127540 - UNITED FRESH NEW ZEALAND INC

ANNE-MARIE ARTS PRESENTING

35 MS ARTS: Thank you. My name is Anne-Marie Arts and I'm representing United Fresh, which is a pan-industry body in the domestic fresh produce industry, so we're talking horticulture. United Fresh as an organisation has around 100 organisations, growers, grower organisations, pack houses, wholesalers and retailers as members. United Fresh is addressing and working on whole of industry issues that particularly affect the post-farm-gate area, which is well represented with Horticulture New Zealand. It's had 28 years of working with the fresh produce industry and represents the entire domestic fresh produce industry, which is worth from a retail perspective about \$2.2 billion, of which \$800 million is imported fresh produce.

45 The reason for presenting a submission is because we have recognised the potential impacts of changes to methyl bromide use and recapture technologies and the impact it would have upon the domestic fresh produce market. What we want to look at in the submission is actually

the consumer; that is you and me as consumers eating fresh produce on a daily basis.

**[9.15 am]**

5

From the submission, we are looking at three areas. One of them is three groups of crops that are imported. One of them is Australian imported product and, in particular, what we in the trade call winter fruiting vegetables. Winter fruiting vegetables are, in essence, things like tomatoes, capsicums, melons, courgettes and green beans. My particular focus is going to be on green beans because currently under biosecurity requirements it is not possible to import cucurbits - that's cucumbers, courgettes and melons - into New Zealand because of a particular virus that has knocked it out at the moment.

10

15

I also want to take a look at the impact on citrus and grape imports, which tend to be treated from an industry perspective together. I also want to highlight the effect of change upon Pacific Islands and Pacific Island imports from a Pacific Island economy viewpoint as well as the Pacific Island diaspora in New Zealand who consume a lot of the product. So that is my focus and we are not a technical analysis. I'm not a methyl bromide specialist and I'm in awe of the work that has been done by STIMBR and many of the other organisations. I'm not talking about exports, which are well represented by various export organisations, but I do highlight that there are trade issues with methyl bromide changes.

20

25

The critical issue for the domestic fresh produce industry is the management of imported fresh produce from a time and temperature viewpoint, and perishability is what our industry is all about. Many of the crops that we import are quite perishable and I would highlight green beans as an example as an important winter vegetable that we eat and one that if it is held up in the distribution system -- it is an airfreighted product. If it is held up for a requirement to fumigate or treat and the treatment on that one is methyl bromide, the impact from a quality viewpoint is enormous. Wastage as a result of particularly treatments and temperature abuse throughout the supply chain directly impacts on range available and quality.

30

35

40

The issue that we have with the proposed controls is upon the ability to maintain a sustainable and profitable domestic fresh produce industry that does rely upon imports to do two things: to provide range and to provide, particularly in the winter, vegetables that are unable to be grown in New Zealand, either economically or just can't be grown here over the winter period, or to supplement and support the New Zealand domestic supply when it is not available.

45

5 We understand that methyl bromide usage data from the New Zealand total import/export information accounts for around 0.42 per cent of total methyl bromide use. When we compare that usage with approximately \$3.7 billion worth of exports and \$400 million worth of imports at duty value - I emphasise that that is the duty value - excluding bananas, which are treated with hydrogen cyanide, we are suggesting that from a total industry perspective we are looking at the future impact on \$4.1 billion worth of crops.

10 What I want to move now to is the impact on three groups. One of them is Australian imports and they are especially important in the New Zealand winter period between May and October. In general, the crops that come in from Australia are melons at that time of the year, not so many capsicums anymore because New Zealand production of capsicums is increasing and there are imports from Holland by air freight that are in that market.

20 **[9.20 am]**

25 Zucchinis and green beans are usually extremely important crops during our winter but, as I've said, zucchinis currently cannot be imported, which actually puts a lot of pressure on green beans. Green beans are air freighted in on a virtually daily basis and the volumes are significant as a supplement to the vegetables that are available for the New Zealand consumer during the winter period. The reason they are imported from Australia is that they are a field-grown broad-acre crop and can be competitive in terms of price at that time of the year. Come spring as we get a little bit more warmer in New Zealand then we go into New Zealand production of either tunnel house grown production or crop grown during our New Zealand summers, when our temperatures are productive for that.

35 During the winter in normal years - and this year is not a normal year because of Covid-19 and also because of the cucumber green mottle virus - these crops were almost exclusively sourced from Australia because we cannot supply demand at an economic cost. There has been work looking at importing it from other countries but it comes down to economics.

40 The second group that I want to touch on is citrus and grape imports. These follow an annual circular trading pattern from US, Chile and Australia. Grapes - table grapes I'm referring to - are not grown in New Zealand except in minute quantity as a very high -priced speciality crop. Table grapes have become a very important part of our diet from a fruit viewpoint and I will touch upon which sectors, which part of the demographic is going to be impacted if grape imports were restricted.

5 New Zealand citrus is what we call an autumn crop, so it's essentially from around April, May with the mandarins through to September, October for tangelos. That is the time period that New Zealand citrus is generally available and for the rest of the year the product is imported from the three countries I referred to.

10 Treatment of imports of those two crops is with methyl bromide and MPI have very kindly provided us with treatment data and we are of the understanding that 59 per cent of New Zealand oranges require some form of biosecurity treatment at the border in New Zealand whereas 15 per cent of Australian grapes require treatment. 36 per cent of Chilean grapes were fumigated at the border in New Zealand on entry as well as around 43 per cent of New Zealand oranges. So that does indicate from a citrus viewpoint there is a large amount of treatment of citrus and grapes entry into New Zealand.

[9.25 am]

20 The third area I want to touch upon from an import viewpoint is the Pacific Islands and I'm emphasising these for several reasons. One of them is the Pacific community in New Zealand is about 7.2 per cent of the total population and those are 2015 figures and they are our fourth largest ethnic group, although I emphasise those are 2015 figures. The Pacific imports of fresh produce are really important from an economic development viewpoint in the Pacific and they occur in several ways. The reason I'm focusing on them is that they do have some of the highest individual rates of fumigation of any imported fresh produce. Fiji is the best performing Pacific country with about 35 per cent of product that is imported from Fiji requiring fumigation and Fiji is the single biggest exporter of fresh produce into New Zealand from the Pacific. However, 87 per cent of all Pacific Island imports are fumigated and so one of the challenges that we could foresee with some of the proposed changes is the impact upon Pacific Island economies and their ability to comply with new requirements are developing countries.

40 We are suggesting that any change to the controls may have a disproportionate effect on the Pacific crops and would have a disproportionate effect upon the Pacific Island community who rely upon the imports for their traditional food items. To give you an idea, imports from the Pacific Islands include brown coconuts, mature brown coconuts from Tonga in particular and Samoa, which was around \$70 million worth of imports in 2018. In addition, root crops, that is cassava and taro, are about \$10.9 million worth of imports and there is a balance of a wide range of fruit and vegetables often from Fiji where there has been a lot of work undertaken to develop that business.

5 I do have to flag at this point that finding hard data is an enormous challenge and in our submission submitted earlier, pre-Covid I guess I could say - it seems like a long time ago - we spent an enormous amount of time trying to get hard data because there is a challenge for fresh produce because of the way statistics are collected. I do acknowledge the help that MPI in particular has given us in helping us trying to quantify the scale of the issue.

10 If I go back to the Pacific Islands, I want to highlight something and that is what we call the grey market. The grey market is the portion of Pacific imports that is undertaken by what we palagis call the informal market, ie not the white Pakeha market. Pacific imports an enormous value and volume a load that actually are imported and not captured in the statistics, the import statistics. They come through Pacific Island distribution systems, very often sold via churches, family connections, and they are extremely important sources of income both in the Pacific but also here in New Zealand for the Pacific Island communities in their distribution system.

20 **[9.30 am]**

25 Generally a lot of those, the value for Pacific Island imports, are actually capture as what we call remittances, which is the money that is remitted direct from a family in New Zealand to a family in a Pacific Island. So a lot of that Pacific highway data is extremely difficult to obtain so we can only really talk about it in a general sense based upon our in depth understand of the Pacific Island economies as a result of work that we do in the Pacific for various aid programmes.

30 I also want to reemphasise the social and cultural importance of Pacific crops for special cultural occasions, weddings, funerals. What I would actually highlight in that is a thing called the giant yam, which is a Tongan product, which is extremely important culturally for various events. That is the type of product that does not enter the palagi distribution system but comes through the Pacific Islands.

40 At this point I also want to focus on the formal New Zealand supply chains that come from the Pacific. There are several that are extremely important from an economic development viewpoint to the Pacific. One of them I can use is Tonga, where watermelon, which are provided in the New Zealand winter and currently are the only watermelon available in New Zealand because of the issues in Australia, is an extremely important contributor to the Tongan economy.

45 Similarly, squash, buttercup squash, which gives a window of export to Japan, it is actually from Tonga to New Zealand to Japan just prior to the New Zealand buttercup squash season, between three and six weeks. Similarly mature brown coconuts and frozen cassava are

extremely important crops. Frozen cassava clearly does not need methyl bromide fumigation but the fresh taro exports from Tonga, root crops being very important.

5 In Samoa mature brown coconut are an increasing important export, as  
is fresh taro. I touched on Fiji, papaya, fresh basil. I would say that  
virtually all the pesto that one buys in New Zealand during the winter  
comes from fresh imported Fijian basil, and a wide range of vegetables  
10 such as beans, okra, turmeric and ginger. Interestingly, turmeric is an  
exploding market from the perspective of New Zealand.

I have emphasised the importance of Pacific crops, the informal supply  
15 chains as well as the formal supply chains. The fact that often the  
commercial enterprise of entering the New Zealand formal supply  
chains also support smaller subsistence and semi-commercial growers  
and permit their entry into the cash economy. The Pacific Island  
markets cannot be underestimated from an economic perspective.

20 I would be the first person to acknowledge there are some pretty major  
issue with Pacific Island product from a fumigation perspective and I  
also would acknowledge that MPI is doing an enormous amount of  
work in that space, and it is not for me to comment on (inaudible).

25 For this particular point I now want to move to the consumer. Given  
that United Fresh represents the major retailers in New Zealand and the  
sharing of this information that I give comes from AC Wilson data  
provided by United Fresh. This data goes back, I think, to 2018, so it  
is relatively recent and it is probably the least amount of data that we  
30 have got but I can share the impact on certain points from the groups.

**[9.35 am]**

35 We are actually estimating that if we cannot utilise methyl bromide or  
that the restrictions are such that the time and temperature requirements  
would actually severely impact on the shelf-life and perishability of the  
crops that we are dealing with, it will become virtually uneconomic to  
import certain crops.

40 From a consumer viewpoint, our unrelated data - I lie it was 2008 this  
data, not 2018 - identified families with young children comprise about  
18.4 per cent of overall fruit purchasers by product value. However,  
when we look at it from a category viewpoint, a category being the  
grouping from a retail viewpoint, so to pick a fruit category, apples  
45 would be an example of a category. Apples which are predominantly  
New Zealand apples, children consumed about 46 per cent and 41.5 per  
cent of grapes and 42 per cent melon purchased were attributed to  
young families. What we are suggesting is that there will be a  
disproportionate impact if products like grapes or melons were either

severely restricted or unable to be imported, or because of the fumigation quality issues that would be arising with the new proposed requirements, changing requirements, could disproportionately affect them.

5

Anyone that has a young child knows that popping a grape into their mouth is an easy thing to do and since the development of the grape market, which goes back to about 1984, we cannot underestimate, just in the case of grapes, the scale and importance that is to the consumer.

10

So what we are suggesting in particular school lunches and healthy snacks for children are likely to be heavily impacted by restrictions because of the impact on fruit availability as a result of the perishability issues that we feel that that would bring.

15

The second group that we are suggesting would be highly likely to be affected would be older couples and singles. Again, this comes out of the AC Wilson data. They consist of about 29 per cent of the purchase by value of fresh produce but purchase 34 per cent of prepared fruit, that is fruit salad, your ready-made fruit salads, in 2008 as well as 35 per cent of tropical fruit. Tropical fruit in this case would range from things like mangoes and melons, which are very often used as a base ingredient in fruit salads that are sold. Mangoes, melon, pineapples, etc.

25

We are also highlighting the winter veggie impact on some highly perishable crops, such as green beans, which would be uneconomic under the proposed new controls. At the particular point, although zucchinis are not on the market, we are in the middle of what we call the great zucchini complaint season because of the price of zucchinis as result of the unavailability. I went shopping on the weekend and they were sitting about \$29 a kilo. The reason why we don't grow zucchinis in the winter season is they would have to grown in a tunnel house under protective cropping as compared to the broad acre ability in Australia. That obviously changes the amount.

35

Perishability of fresh produce during shipping is a challenge already. It was a major issue. In my other capacity as the Managing Director of the Agri Chain Centre, we actually survey a lot of the fresh produce that comes into the country and on a daily basis we see the impact from a shipping perspective, the impact of various treatments and abuses of temperature which occur in the industry.

40

**[9.40 am]**

45

Additional delays would lead to additional wastage and reduced ranges. I won't touch on potential trade impacts because I'm sure that I'm running out of time and you've got a busy schedule here. My

5 concluding comments are that the produce industry's viability has always relied upon balancing multiple complex factors, no different to trade in other perishable agricultural commodities, including meat and dairy. New Zealand produce imports would be significantly impacted should the 95 per cent recapture requirement become mandatory because the time to achieve that just doesn't fit with the perishability of fresh produce.

10 The fresh produce industry is able to comply and wants to comply with viable regulations. However, it needs to consider perishability. Perishability is always one of our foremost concerns and it's a minute by minute decision, part of our minute by minute decision-making processes in this industry. Our industry will continue to search for viable alternatives, but unfortunately switching methyl bromide off or making changes that render imports non-viable would have a dramatic impact, not only on the consumer as I've outlined, but also upon the industry because of the sheer scale.

20 Thank you for your time.

CHAIR: Thank you. Dr Belton, questions?

#### QUESTIONS

25 DR BELTON: Thanks, Chair, and thanks, Ms Arts, for your quite wide-ranging presentation there. I just want to clarify. What are you referring to as the proposed controls versus the something else? I thought that the impacts that you're worried about would be addressed by the proposed controls in the application from STIMBR, but are you saying they will not be?

MR LAWES: So in the initial --

35 MS ARTS: This is Jacob Lawes. He's my technical support person.

MR LAWES: So, in previous minutes and directions from EPA regarding this meeting, there were indications regarding changes to the requirements for containerised-based shipping and as opposed to logs, with a new proposal of 95 per cent being different to the original five parts per million requirement.

40 DR BELTON: Right.

MR LAWES: So when we're referring to the proposed 95 per cent controls, we are referring to the new proposed 95 per cent limits being proposed in the directions by EPA.

DR BELTON: And what about the latest revision to the applicant's proposal that we heard on -- whatever day we started, Tuesday, the night before?

5 MR LAWES: Unfortunately, we're not able to comment on that one as we were not able to attend that meeting and review those notes due to other factors in our industry.

10 DR BELTON: Okay. You'll need to find that out somewhere else. I guess one other just comment on that, you highlighted the product substitution that maybe we reluctantly accept but we do accept for beans and so on. How much of that would mean that we just have a change of product mix with these controls of imported fresh fruit and veg?

15 MS ARTS: Absolutely, and that's an inevitable -- anyone who goes shopping would look at the prices, and we substitute daily as individuals. There's absolutely no doubt about that. I guess I could go back to my days growing up in Christchurch in the 1960s when I remember the only things that were available in winter were apples, oranges and bananas. In part, that was to do with import controls which changed in 1984, but it would have a major impact upon range available.

[9.45 am]

25 I would also suggest at this point also we would need to be careful that it's not perceived as being a trade barrier in terms of impacting upon the ability of products to come into New Zealand. It's all a balancing act and New Zealand, of course, is a very small market from a global viewpoint. We would have to accept a changed range and we would also have to accept increased prices as in the example of courgettes, which would have to be grown in New Zealand under tunnel conditions, assuming we can get the labour to harvest them because people don't want to harvest courgettes for various reasons. It's a very labour-intensive crop. So, it would also have an impact from a price perspective of the products that would be available.

35 DR BELTON: Okay, thank you very much. Thanks, that's all from me, Chair.

CHAIR: Dr Phillips?

40 DR PHILLIPS: Thank you. Kind of following on from that, it's very interesting, Covid clearly has changed everything and unfortunately it looks like we're changing again. I did have a question around I noticed in another submission there was discussion -- which was an exporter, a produce exporter, who was talking about how the industry was taking actions around pre-export risk management strategies. So they had these risk management strategies, so I took that to mean they were taking steps to try and reduce pest infestations or mitigate pest infestations to some extent through their on-farm management practices. That's purely

5 supposition on my case, but that's sort of a bit of a guess as to what a  
risk management strategy prior to export might be. I was interested to  
find out if specifically your descriptions around the Pacific and the  
need for much higher levels or a higher proportion of crop needing  
fumigation, presumably that relates to the fact that they have high  
10 levels of pest infestations or potential pest infestations that need to be  
dealt with at the border. I was wondering if you were aware of what  
New Zealand in its role as helping to develop these countries, whether  
that sort of action was being taken or supported in the Pacific Islands  
around this stopping at the source, I guess, to reduce the need for  
treatment. That may be a question for MPI rather than yourselves, I'm  
not sure.

15 MS ARTS: I certainly can't speak for MPI and I'm very well aware of their work  
in the Pacific, having worked on various biosecurity issues within the  
Pacific in another context. We as a company are doing various aid  
programmes. It's all about the scale and ability to pay for the  
infrastructure that's required and it's just not there. I could use Tonga  
20 as an example where an enormous amount of work has gone into  
encouraging the Tongan export, particularly in our winter for  
watermelons and squash, and they are doing an incredible job. But  
ultimately, going back to the controls that are needed, which is the  
trapping, the spraying, the fruit fly controls and the basic husbandry  
that we -- certainly from an exporting nation viewpoint in  
25 New Zealand, it is by no means anywhere of the same scale. That's one  
of the reasons why I've highlighted Fiji because that is the most  
sophisticated and most focused on it. A little bit earlier I indicated the  
scale of what fumigation did in Fiji as compared to fumigation from  
the rest of the Pacific. So it is a really big, ongoing issue.

30 [9.50 am]

DR PHILLIPS: Yes.

35 MS ARTS: I would also highlight that imports from the Pacific is relatively small  
as compared to from other parts of the world and it is disproportionately  
represented in the statistics that were made available to us.

40 DR PHILLIPS: Okay.

MS ARTS: Keeping in mind the statistics that are made available are quite  
challenging to interpret because of the way it is, but we've done our  
best with what we've had available.

45 DR PHILLIPS: Yes, that's fine. I just had a second question, which sort of follows on  
a little bit from Dr Belton's, I guess, and sort of references back to my  
comment about Covid and the impact of Covid. I'm very aware that  
there are a number of reasons why we actually import produce. I must

5 admit I was quite shocked to see how much and the diversity of produce that we actually import into New Zealand, given what we actually grow here. I guess that's really my question is what efforts is your organisation -- or maybe it's not your role, just in terms of supporting New Zealand growers, that we have more produce that is grown in New Zealand so we don't actually have to import produce.

MS ARTS:

10 That's a really good question. New Zealand is well known as an innovator in the horticultural industry. Kiwifruit would be a classic in terms of its development from the 1980s into what the kiwifruit industry is today. It takes time. In the case of kiwifruit, in essence that's a 40 to 50-year process, if I think about it. There are crops that are becoming increasingly viable in New Zealand but being able to grow a crop in New Zealand and it being viable from a commercial viewpoint can be too complex. One of the reasons why I've highlighted courgettes, which even though they can't come in from Australia at present, is the reasons why they're coming from Australia is entirely about cost and price sensitivity. New Zealand is well-known as being, from a retail perspective, a very price-sensitive market because as much as we don't like to hear it, we are a low-wage economy. So that drives Māori economics.

25 So if I use courgettes -- if I say "courgettes" it's because that's what I call them but it's either courgettes or zucchinis, same thing. Basically a courgette growing in winter in New Zealand, that's viable, you can do it, but it would cost, and I can't quote the numbers, but it would cost substantially more than growing a courgette in a broad acre environment in Australia and then processing it, packing it, et cetera, shipping it to New Zealand and taking the wastage risks that are inherent in that crop because it's highly perishable. Maybe it becomes viable and that's good if it does. I'm all for it too but the opportunity to look at the viability of courgettes is probably greater than it would be to look at the viability of growing oranges all year round; we can't do it because it's a seasonal crop and we can grow it -- the New Zealand oranges are in full peak now and they are a fantastic product but we would not have oranges for a substantial part of the year if we relied solely on New Zealand oranges.

DR PHILLIPS:

40 Sure. I guess that gets back to Dr Belton's question about that we would have limited choice and you responded to that very well, so great. Okay, thank you. I have no further questions.

MS ARTS:

Thank you.

45 **[9.55 am]**

CHAIR:

Sorry, my mouse went into the wrong space and I logged out instead of coming back into you. I was just checking your submission to just

check here, to confirm my understanding of where you stood with respect to the STIMBR application. Other than that, thank you for your submission. I don't have any further questions. I'll pass on to the EPA staff.

5

MR BAILEY:

Good morning. The question builds on that from Dr Belton around the proposed controls. Is there a difference between the controls as they're currently written for the industry recaptured under 5 ppm, so that's 5 parts per million to the 95 per cent recapture we proposed in our staff report and how does that affect the time requirements that you indicate is critical to the perishability for the crops you were talking about, about imports?

10

MR LAWES:

Based on the initial reports of the 5 parts per million was definitely viable for most of our crops. The new controls of 95 parts per million bring us for some crops, after a few hours, down to levels about 1-200 parts per million in the air levels but for some crops that can still take several hours to a day or more of sitting there because at the end of a normal fumigation period they might be in the region of 800 parts per million or higher at the end of a standard current fumigation period, which still meets the perishability requirements and allows us to shift them without decreased wastage.

15

20

MR BAILEY:

I can't remember seeing in your submission how long is that critical time for a variety of crops?

25

MR LAWES:

Unfortunately that is depending on the variety of factors at the port due to the crops, the crops' skin thickness, the temperature of the crop it's fumigated at, the temperature of the port when the fumigation occurs, the amount of fumigant put into the containers and a variety of other factors, which means we cannot give you general figures on a per crop or overall industry basis.

30

MS ARTS:

What I could say here is the thing -- methyl bromide does impact on crops but it's actually the time it takes to bring the temperature up on the crop. So if I use grapes as an example, the time it takes to bring it up from about minus 0.5 to plus 0.5, which is about the temperature that it's shipped at, the time to bring that container up to the methyl bromide temperature requirements of around, if I remember rightly, 20C and then to bring it back down, that's actually the big issue. Because from a fresh produce perspective, fresh produce can cope to a certain extent with a slowly changing temperature. What hammers the quality of fresh produce is a highly fluctuating temperature. That actually has more of an impact on quality than anything.

35

40

45

MR BAILEY:

So maybe a similar question in a slightly different way then. Given the time you've just mentioned it takes to increase the temperature to get the methyl bromide treatment for the crops you're talking about, I

totally appreciate your answer being uncertain on how long the recapture would take but can you give us an indication of the relative time differences between those two processes?

5 MR LAWES: With just raising the temperature for standard crops under the standard system at present?

MR BAILEY: So, yes, the difference between the time required to treat crops growing through the methyl bromide process at the minute with the time --  
10 around your concerns about the extra time for recapture.

MR LAWES: So the current system starts from the low temperature to the high temperature to treat -- allow to treat and then bring back down can be four or six hours or so for some crops. So an hour, hour and a half to bring up, two to three hours current treatment, an hour or two to bring it back down. Some of our crops we're looking at were up to two to five days under the treatment proposals for the ones in 2019 and up to five days under the new proposal for 95 per cent recapture, depending on the crop, depending on (inaudible).  
15  
20

[10.00 am]

MR BAILEY: Sorry, could you repeat that? The sound was crackling at this end and I didn't quite hear you fully.  
25

MR LAWES: Four to six hours maybe for crops under current system. Previous proposed system by EPA in 2019 was up to five days or so for some crops, if not longer. Under the new 95 per cent controls we are potentially looking at one to two days based on current estimates. We would need to do further analysis based on New Zealand conditions as current data is not based on New Zealand conditions but is based on overseas research.  
30

MR BAILEY: Thank you.  
35

CHAIR: Mr Slyfield?

MR SLYFIELD: Thank you, Chair. I have just one question and it's to clarify what's just been said and see if I've got this right. As I understood that last response, the information was that under the current system, and I take that to mean a system that does not involve recapture, the evidence is something in the region of four to six hours for the methyl bromide fumigation. Then that compares with if we have recapture at the 5 parts per million standard, which is not yet a legal requirement but is presently the requirement due to come into effect on 28 April, at that standard the estimate is around five days or something to that order.  
40  
45

MR LAWES: Correct.

- MR SLYFIELD: Fumigation and recapture. If that standard were to differ and were to be 95 per cent, as per the recommendation made in the EPA's staff report, that that changes to something in the order of one to two days.
- 5 MR LAWES: As estimates, correct. We would need to do actual testing for our crops to determine being as previous research is all based overseas with slightly different varieties of crops.
- 10 MR SLYFIELD: Thank you, I'm very clear on that. That was all I had, Mr Chair, thank you.
- CHAIR: Thank you. We do have a question from Ms Smith.
- 15 MS SMITH: Thank you. All of the information that you were just giving us about timeframes, I'm looking at page 4 of your report and the recapture systems information. Is it correct that all of those timeframes are based on the assumption that we're talking about the commercially available systems that are currently in New Zealand?
- 20 MR LAWES: In regards to the fumigation levels, the systems currently available, yes, I believe so. Which particular one were you referring to; in the recapture systems?
- 25 MS SMITH: So you've got the heading "Recapture Systems" and you go three paragraphs down there and that says:
- "Further research has indicated that carbon-based recapture systems have the potential to recapture up to 98 per cent of fumigant."
- 30 MR LAWES: Correct.
- MS SMITH:
- 35 "However, the currently available commercially viable systems developed for us in New Zealand are only able to capture up to 80 per cent of fumigant gases."
- And there's a citation to STIMBR.
- 40 MR LAWES: Yes, correct.
- MS SMITH: So if there were a commercially viable system in New Zealand able to recapture more the timeframes would reduce?
- 45 MR LAWES: Potentially. It depends on how the system works. So we first noticed that those systems are based for logs and not for containers and that those systems still had a time requirement, which is the biggest problem for us. Our product is perishable, unlike logs, so we cannot afford to

let our products sit there on the wharf for a week until until the fumigant system recaptures 98 per cent of it. Even if that is commercially viable to not change the price of the product, it will still result in the product being unsaleable at the end of that period.

5

MS SMITH: So, if there were a system that met those requirements then you would be satisfied with it. That would meet the things that United Fresh is concerned about?

10

MR LAWES: From United Fresh's perspective, for our imports and exports, yes. However, we do also note that the reason we use methyl bromide is because it is what is called an approved biosecurity treatment by MPI. So if MPI --

15

MS SMITH: Sorry, I'm not talking about alternative chemicals. That is out of scope.

MR LAWES: So, yes, we would be happy if the system was commercially viable to use a commercially viable system that worked with our product.

20

**[10.05 am]**

MS SMITH: Thank you.

25

CHAIR: Thank you for that. I'm coming now to an offer from Ken, and I apologise, Ken, I don't have your surname in front of me. You did make an offer to give an example and I suggested that that was out of scope. However, one of my learned colleagues suggests that perhaps it was more in the context of responding to his or her question, whoever that was, and so, Ken, if you would like to give a pre-export practice example in the context of the conversation we've just had, that's fine. I do advise that Ms Smith reminded us all that alternatives to methyl bromide or alternative technologies are out of scope for our consideration. So, Ken, please?

30

35

KEN: Thank you, Chair. I'm a senior advisor at MPI and have been a member of the Methyl Bromide Technical Options Committee for 14 years, reporting to the Montreal Protocol parties, and also a co-author of the IPPT reduction and replace recommendations.

40

45

The example or the question was around the Pacific situation and what is being done to try and move away from treating with methyl bromide. An example is the taro, which has a high pest loading when it arrives here and a higher percentage is treated on arrival. As an example of how long it takes to implement a replacement, I've been working on a project for taro specifically that has now been working its way through the system for 12 years. Basically, what it is is replacing the methyl bromide treatment with the pre-export treatment with brushing and hot water treatment, and that is now operating as a pilot scheme in one pack

house in Samoa. As we know, operating in the Pacific is generally a challenge and it has taken that long to get some positive results and there is application for funding to assess expanding that to a larger volume of produce.

5

We know that STIMBR has taken many years to do the research, etc, for logs and it is very similar with other commodities to identify the pests of concern, do the research to establish what you're trying to treat them with, to kill, and then also start implementing some facilities to do that. Just rather than than leave that hanging, I just thought it was worth answering that directly.

10

CHAIR: Thank you for that. Appreciate it. Ms Barry-Piceno, you had a question?

15

MS BARRY-PICENO: Yes, thank you. It is really for Anne-Marie and it's probably an area of clarification following on from the comments around the Pacific Islands. It wasn't clear from what you were presenting. While on the one hand you've got the strong focus, which I understand, around the effect on the New Zealand communities as to the relationship with us as consumers in terms of perhaps a readjustment would be required in terms of our understanding of those seasonal relationships for fruit, that might be in terms of availability or in terms of cost, but the other part of your submission appeared to be focused on Pacific Island communities themselves and the impact of this and I was unclear. You are not suggesting, are you, that the scope of this hearing committee is that in the context of health and safety of people in communities or capacity of people in communities or capacity of people in communities to provide for their economic and social wellbeing that their mandate is to also consider effects on Pacific Island communities? That is not what you're trying to do here, is it, because the focus under the Act is on New Zealand?

20

25

30

[10.10 am]

35

MS ARTS: I am focusing on the Pacific diaspora, which is around 7.4 per cent, or whatever, of the New Zealand population.

40

MS BARRY-PICENO: Right. So you're focused on New Zealand. I just wanted to be sure of that because there was a blur in terms of what you were commenting on.

45

MS ARTS: Okay. I accept that blur, I guess. I get what you're saying but I guess I'm also highlighting that there are flow-on effects that as New Zealand we do have responsibilities to the Pacific.

MS BARRY-PICENO: So, just to clarify, are you then suggesting that this Committee should be considering the effects on the Pacific Island community as part of this hearing?

5 MS ARTS: I have highlighted the effect on the Pacific diaspora and it's not for me to suggest what the Committee considers.

MS BARRY-PICENO: Thank you.

10 CHAIR: Thanks for that, Ms Barry-Piceno. I assume there is no further questions from you?

MS BARRY-PICENO: No, thank you, sir.

15 CHAIR: Any other questions? Okay. Thank you very much for your time. We appreciate the time and effort you've put in. We will now move to our final submitter for today, Mr Park from T&G Global Ltd. Kia ora.

20 SUBMISSION 127580 - T&G GLOBAL LTD

DUNCAN PARK PRESENTING

25 MR PARK: Good morning. Thank you, Mr Chairperson, for hearing T&G Global's case in supporting the assessment for 80 per cent recapture. Sorry, I just shifted offices this morning as we changed alert level, so I am just getting things set up.

30 T&G's mantra is to grow healthier futures through fresh fruit and vegetables by being a world-leading fresh produce company. So I do accept that the use of methyl bromide does not sit lightly in our workstream, so it is only used where protocols dictate that we need to, ie apples to Japan and our imports/exports primarily to the Pacific Islands. I want to focus on the apples to Japan programme as that is where I am an expert and have a passion for it. I won't detail the protocol, the OAP for Japan. I would assume that it is acknowledged across the board but it is around the 34.2 CT, concentration time, value

35 that we need to meet with methyl bromide. I'd like to address four points in that protocol.

40 The first is that the use of methyl bromide is mandated by the Japanese. It's not our choice nor is it our wish to do so but we do need to do it. We need to treat all fruit through that methyl bromide in a cool chain protocol. The second point here is I think we need to celebrate one of

45 New Zealand's successes and that is our scientists in the MPI team who back in the late 1990s successfully achieved New Zealand to use 24 grams to a cubic metre in its fumigation process whereas the rest of the world have to use 48 grams per cubic metre. This is a significant

change in the rate that we are using. It does mean we do a post-fumigation cool chain process, which is an additional step, but it reduces the amount we are using and also the risk of fumigation damage to fruit, fumigation meaning increased residues and internal disorders by cooking of the fruit. I know we are not looking at alternative chemistries in this review but we do need to be using a chemistry here that is targeting the affected insect, which is the codling moth larvae, in the fruit, for the shipping protocol. We do have a systems approach, which I will come to later.

The fourth point I would like to discuss here around the Japanese protocol is the development in the passion and commitment that is being made by T&G and I know by others in the industry.

**[10.15 am]**

That starts in the late 1990s-2000 when we exported fruit out of Marlborough and this is really supporting all our growers. But at that time the industry deregulated and there was no more export of fruit after 2000 until 2008 and that is where I was approached to start the programme again. New Zealand got, or I got, one container to Japan that year. We had a succession of Japanese MAFF down here to review our processes and sign that system off. Unfortunately, nothing happened until 2011 when we got the programme going again and for three months we had Mr Toshishi Tahino(?) from Japan MAFF based in New Zealand, based next to me for three months questioning everything we did to make sure we got this protocol working. T&G opened an office in Japan that year and we maintain that office through to today.

Then over the next few years we had a series of inspectors coming, annual audits and we grew the capability and capacity of this programme. We moved from the one container in 2008 to 120 containers today. That is of T&G product only. We have other exporters which would be about the same volume of apples as well coming through this programme. That's roughly \$9.2 million return to our growers and we see that growing. Next year we already have an additional 60 containers booked to make that 180 containers and roughly \$19.2 million return to our New Zealand growers.

The challenge we have and the challenge that our Japanese customers have is that if we have to implement the full recapture programme at the end of April in 2021, we are only 60 per cent of our way through the programme. We need very clear answers to our Japanese team as to what we'll be able to deliver for our New Zealand programme. Roughly, that's something like 38 million apples that we'd have to find an additional home for, and I suggest we can't eat all those ourselves in New Zealand.

5 But interestingly enough, we have an aspiration for 300 containers in  
2024. This is a programme we have been building on, building with  
our customers, building with our growers in New Zealand, and building  
the capacity through our systems in New Zealand. It's important to  
point out here that in 2014 T&G built a purpose-built fumigation  
facility on site. This is capable of doing 42 pallets or the equivalent of  
two containers per treatment. This was signed off by MPI and our  
Genera fumigation team, and that's a significant input into the structure  
and process we follow.

15 The programme to Japan is significant to our growers. We're targeting  
Jazz, which we own, Envy, Royal Galas, Fujis and Pacific Queen to  
these markets. That's with these customers, the likes of Ice, Seven(?)  
and Wismettac that we deal with, and we have very strong relationships  
that we've built with them. Interestingly enough, Jazz actually has its  
own date on the Japanese calendar, 28 June. That's recognition of the  
first imports of Jazz to Japan. Jazz, by the way, is a New Zealand-bred  
apple at our Plant & Food Research in Havelock North and licensed to  
T&G.

25 Significantly also, under the CPTTP tariff reduction, this was a great  
negotiation. We were at 17 per cent tariffs. That's been reduced down  
to 10.2 and by 2028 down to zero. Currently, that reduction in the last  
three years has given an additional \$3 to \$4 return to our growers in  
New Zealand per carton. When we're talking 1,176 cartons per  
container and we've done 120 containers, that's a significant return for  
our New Zealand team.

30 We're also partnering with our team in Japan. This is our growing team  
up there, and we actually have Jazz growing in the Nagano tree research  
facility, and we also have Pacific Rose, another New Zealand-bred  
variety, sitting up there with our growers at Aomori to counter our  
seasonal production now in New Zealand.

35 **[10.20 am]**

40 We also have visits by the Japanese both ways. We support them and  
I have been lucky to visit Japan on two technical presentations and so  
have our sales team. Importantly, the Japanese - and wow, do they  
travel - have come down to us. They've eaten the fruit on an orchard,  
they've met our growers and, boy, do they like our Jazz and our  
numbers. They do travel in big numbers when they come down but  
spend a very short time here, love New Zealand and our fruit.

45 I just want to change focus now to the recapture discussion. This is  
very much new territory for us with the apple programme. T&G led an  
initiative at the end of last year with the industry, New Zealand Apples

5 & Pears, Genera and two of our other exporters, to see what we could actually achieve in a recapture. This was repeated in 2020 on export fruit. It challenges what our capability is. When we are fumigating fruit we have to warm it to 12 degrees, which is not ideal. We then fumigate, which is cooking the fruit further. The capability of Genera, they brought what we call the trailer down. So, this was hooked up to our facility and we were able to draw a negative pressure on the facility to suck the methyl bromide out and that's recaptured into the carbon beds. This process took us 75 minutes to get down to 80 per cent recapture. We extended that to 85, 90 and 95 per cent recapture, which took us out to another 150 minutes, which is really expanding and extending the time that we're exposing fruit to the high temperatures and the level of methyl bromide, although at the end it must be fair to say that the levels of methyl bromide are a lot lower than what they were at the start of the fumigation process.

20 There have been a lot of learnings during this recapture and it's fair to say you do not run out of petrol on your trailer when you're doing it. You cannot put in bigger pumps to suck the air out faster because that can look at imploding your building. We do not know how this process would work when we are looking at containers or product under tarps, which we don't do with apples but we do containers in our building. So we need to learn more about that process.

25 The longer exposure time of the fruit to methyl bromide at a heat greater than 12°C is a high risk, as is the fumigation, which can cause fumigation burn and quality loss by loss of fruit firmness and the eating quality of the fruit. We do not know what the effect is on other varieties. To date, this work has only been able to be done on Jazz. We do not know the effect on Fujis, Pacific Queen, Envy, and some of those varieties like Envy are a lot more susceptible to the elevated methyl bromide rates.

35 We do have some alternatives, and I know this has been talked about briefly. This is around the systems approach that we have tabled with Japan. It was tabled last year after being written by PFR, Plant & Food Research, and MFAT, to the embassy and to the Japanese. This is all around smart, clever technology on orchard, pheromone making, trapping, mating disruption, use of growing degree days to target ovicidal sprays for the problem of flight, some really smart sterile insect technology where we're bringing in sterile codling moths from Canada and using them to crash the New Zealand population, buyer accreditation, and post-harvest the use of new technology of apple washers that remove passenger pests and also smart camera technology online grading.

45 However, this process, which was submitted to Japan and was followed up in July last year, we have had no feedback on where this will be

accepted. We know they do accept systems approaches on other produce, eg cherries from Chile, but we need to be able to develop our current programme and get a response.

5

**[10.25 am]**

10

I'd like just to finish on a story about haircuts, and this really does show the passion of our team up there. This is on the Japan cycle. In 2017, New Zealand had a significant issue with ALCM, apple leaf-curling midge. That's one of the actual quarantine pests in Japan. We had promised a programme to Japan and to our customers and they built programmes, did advertising and set up an entire programme to sell this fruit. We shorted that programme to them. Our Japanese office up there, Tatsuia San(?), had to go and apologise to our customers and explain why this happens. If you know the strict protocols in Japan, this included our staff shaving their head to go through as an item of shame and apologise to the staff. Please don't make us shave our heads in 2021.

15

20

I do need to cover briefly our export programme. So T&G do cover an export programme particularly to the Pacific Islands. I know our previous -- Anne-Marie Arts and team have covered some of this. We have significant two-way trade and I think we need to focus on the export trade programme where we are required to fumigate produce, eg to Fiji, where every container needs to be fumigated. They are mixed containers of a range of commodities and produce that go up to there, and we also have a range coming into New Zealand where we do need to complete biosecurity control on product coming through. Those programmes are circa \$60 million in trade going both ways. That's for our company alone, so there's a significant process that we're using with that methyl bromide option.

25

30

I'd like to say thank you for hearing the options and I appreciate we're open for Q&A.

35

### QUESTIONS

CHAIR:

Thank you, Mr Park. Dr Phillips?

40

DR PHILLIPS:

Thank you, Mr Park. So, I guess the only question I have is if Japan did accept your systems approach proposal, and hearing people talk over the last couple of days I understand these things can take quite a long time, but if they did accept that, how would that impact on your use of methyl bromide?

45

MR PARK:

If Japan protocol said we did not need methyl bromide we would not use it. It's certainly something we do not prefer to do. I would assume if Japan said that today, they might want to see some implementation

over a season or two and proof that we can actually deliver a programme that is free from codling moth to them. That's what we're hoping for and really working for, but we need the methyl bromide protocol in the meantime.

5

DR PHILLIPS: Sorry, just to follow on from that - I know I only said one question - it seems to me like this is an opportunity to share your knowledge of how to do this with other players in your industry, and I am not just talking about apple growers. I mean, obviously you do not just export apples. Are you working with other industry players in this sort of area to develop this systems approach?

10

MR PARK: So the systems approach for apples was started in 1996 by Plant & Food and was basically implemented by 2000 and it is fair to say that New Zealand Apple and Pear have continued what was IFP, integrated fruit production, to what is now the Apple Futures Programme. We are learning new science annually around lifecycle assessments, around improved chemistry on orchard by accreditation with sterile insect technology. Very prevalent things that are coming in and will develop further particularly on the apples, but we do know that across industries people are implementing IPM, integrated pest management, programmes. It is very smart.

15

20

25

But that would always potentially leave us with that one moth that might be found. So it is living with an issue.

DR PHILLIPS: Yes, I have an apple tree and I have codling moth.

MR PARK: I can suggest a programme for you.

30

DR PHILLIPS: I use pheromones. All right, thank you very much. That is all I have.

**[10.30 am]**

35

DR BELTON: Yes, thanks, Chair. Thanks, Mr Park, that was very useful. Just focusing on your comments on recapture, you say that the research on container recapture of methyl bromide is still ongoing. I wonder where we are at in terms of what you can commit to in terms of the levels of recapture on containers that you can work commercially with on your exports to Japan?

40

MR PARK: Yes, it is very much new ground for us so we have been able to complete only the two full recaptures on apples to Japan. At those points we target the 80 per cent. The first trial was last year to the 80 per cent, which we did, and this repeated this year. Working with Genera we would see development of that trailer. You know, it is the first concept that has come through and we would look to be able to see how we could extend or recapture more of that product but we do not

45

know the effect and the harm if we went out to 90 or 95 per cent of the damage to the fruit with that increased exposure time to methyl bromide.

5 We have seen it for Jazz this year, which came through clean. Jazz is quite a robust apple for it. We do the likes of Envy and maybe Pacific Queen are more susceptible to methyl bromide as a Fuji. It is going to be a learning curve. We know we could deliver 80 per cent but we do not know the next steps and that is going to take us some time next  
10 season as we do those recaptures to learn and develop that protocol further.

DR BELTON: So you are confident to say now that you can get 80 per cent recapture and that would work for containers of all apples you want to ship to  
15 Japan?

MR PARK: That 80 per cent works from two trials that we did this year on our purpose built facility. We haven't completed that on an export container which some of the other people in the industry do do. But we aware of some other work that Genera can recapture by putting on those replacement container doors and doing a recapture process but we haven't done it on apples.  
20

DR BELTON: All right, yes, it is pretty new. Okay, I think that is as far as we can take that and that is all my questions. Thank you.  
25

CHAIR: Thank you, Mr Park, no questions from me. We will move now to the EPA team.

30 MR BAILEY: Just one for clarification, please. When you talked about the time to get to the different recaptures you mentioned it took some time just to recapture 80 per cent of the methyl bromide. Did I understand you right that to get to 95 per cent recapture took a total of 150 minutes or was that an extra 150 minutes on top of the 75 to get to 80 per cent  
35 recapture?

MR PARK: It was a total of 150 minutes to get to the 95.

MR BAILEY: Thank you very much.  
40

CHAIR: Mr Slyfield.

MR SLYFIELD: Thank you, Mr Chair, I will hand over, if I may, to Dr Armstrong. He has a question and better to come from him than it is from me because he knows what it is.  
45

DR ARMSTRONG: Just for a point of clarification. Having had some experience with systems approaches, we know how long it can take to get those

approved, it can be many, many years. But let's say that Japan did approve your systems approach and we were using it, what would happen if we got in an alien pest species to that systems approach? Do you think we would have to go back to methyl bromide?

5

MR PARK:

If you are looking at our systems at the moment, we have a very strong robust system on the orchards. The IFP programme is working very well and our current insects on mature apples are very well known. Yes, if we got a incursion of brown marmorated stink bug or a fruit fly that is a whole new topic and discussion again whether there is new technologies, eg x-rays or chemistry, that needs to target that pest, if that pest is a concern to Japan.

10

**[10.35 am]**

15

We are working off the Japan pest list and currently, for us for apples, it codling moth, ALCM and some woolly apple aphid, but we have control of those pests.

20

A whole new incursions, yes, that is different ground again. It would not be our preference to go backwards to methyl bromide and we would be keen to work with Japan and all industry players as to how we would manage a foreign new pest into the programme.

25

DR ARMSTRONG: Thank you, Duncan.

MR SLYFIELD: That was the only question for STIMBR. Thank you, Mr Chair.

30

CHAIR: Mr Weiss, you had a question. Just before you start talking, I know we are just about at the end of our time but for those who haven't been in the court for the last couple of last days, if you could just remember to introduce which organisation you are part of as well. Thank you. Mr Weiss?

35

MR WEISS: Thank you, Mr Chair. Sam Weiss, Bay of Plenty Regional Council. Now, Mr Park, I understand or we have been told during this hearing that from the logging industry that about 40 to 50 per cent of methyl bromide that is applied to logs is actually absorbed and remains in the logs following the end of the fumigation process. Do you know or has any work been done on how much methyl bromide actually remains in the fruit or conversely the percentage that is released following fumigation?

40

45

MR PARK: A couple of points of there. In terms of the amount of methyl bromide that is injected into the room at the start of the fumigation, that is a known value. Off the top of my head, it is 24 grams. It was about 24.6 grams per metre squared that we put in at the start of the fumigation, at the end after the 80 per cent recapture we had 4.7 left in there in terms

of the GC readings we were getting out of the device. If we went further down to the 95, we are down to 1.1 gram.

5

In terms of what is in the fruit, because we are drawing a negative pressure on those rooms that does help suck it out. We do go through a forced draft cooling process to remove any further gas that we can. Japan, though, do have a 20 milligram per kilogram MRL. We don't want to be up anywhere near that but there would be some detected residues in the fruit.

10

CHAIR: Mr Weiss, is that your questions?

MR WEISS: That is it, thank you.

15

CHAIR: Thank you, Ms Smith.

20

MS SMITH: Thank you, Mr Park. Just a question, I am not sure I got this earlier about what is it that you currently do. You have had the Japan protocol in place, I think, since 2008. So you have to put methyl bromide on the fruit, once you have done that - you are obviously not doing recapture at the moment - what do you do, do you open the doors or what happens?

25

MR PARK: Yes, so at the end of the fumigation, which is a two-hour fumigation, we currently vent out the chamber, out a tall chimney stack and until Genera gets to a value that they can then open the door and we have a big fan that blows in and clears the area of gas in the room. That is when we are not doing the recapture part of that process. That fruit is then removed from the fumigation chamber and goes into a separate room, goes outside into a separate room where we will do the forced draft treatment to cool the fruit back down to below 2 degrees.

30

MS SMITH: So Genera are the company that have been working with you to apply methyl bromide since 2008?

35

MR PARK: Originally we actually used Ecolab but then they moved away from the use of methyl bromide. Yes, it was Genera from probably 2011 onwards that we have been working with the whole way through, fumigations and the recapture. So they have been doing the trials.

40

**[10.40 am]**

45

MS SMITH: As far at the recapture, I think you said the first one you did - I am just getting the timeline right - was maybe two years ago, or was it a year ago?

MR PARK: It was the end of our fumigations in 2019, so that was around, sorry, June or July time last year. Then we did one this year in ... when did

we do it this year? Sorry, I can't tell you amongst all the -- when we're working on site, May/June time.

5 MS SMITH: So you've been aware that the recapture requirement has been in the ERMA EPA assessment since 2010?

10 MR PARK: Yes, we were -- I guess this came up more and more and at the time we had no capability to do the recapture and that's when we started those discussions to actually get something that was able to recapture that product.

MS SMITH: And 2019 was the first trial?

15 MR PARK: Yes, it was.

MS SMITH: It's still using -- is it the same room that you do it in? What's the new trial? So Genera bring their equipment. I don't want to know about proprietary or technical information but just the process of what you do.

20 MR PARK: We have that purpose-built facility onsite. It takes 42 pallets. At Genera we put a new coupling on the room, which is what Genera's trailer hooks up to, which has the carbon beds. They have fans in there, which then draw the air out of the room, through the carbon beds to absorb the methyl bromide.

MS SMITH: Okay, thank you. That was all my questions.

30 CHAIR: Thank you. From the looks of it there are no other questions. All right, Mr Park, thank you for your time today and for your submission. We appreciate it.

MR PARK: Thank you.

35 CHAIR: It's a short day today. A bigger day tomorrow so we'll adjourn the hearing for now and we'll reconvene tomorrow at 8.30 am. Another reminder that we will be doing no site -- there'll be no EPA - I've forgotten the term - but EPA site, which was going to be in Tauranga tomorrow. So it is all virtual. Enjoy the rest of your day.

40 MR BAILEY: Sorry, Mr Wilson, can I just follow up some information we were asked yesterday about leading -- I think it was also from Nicole Smith, about whether leading requirements came from any information provided back. I promised to bring that back to you in today's session, if you're okay with me to provide that answer now.

45 CHAIR: Yes.

MR BAILEY: So the request came from the DMC in a direction minute WGT003 and a response was provided in the 7th Memo of Counsel for the Applicant. Both of those documents are available on the EPA's website and can be found in the communications to and from the DMC on the methyl bromide pages on the EPA's website.

5

CHAIR: Thank you. So we'll adjourn this hearing for now and a reminder to our Committee and the EPA team we'll adjourn to our debriefing zoom room. Enjoy the rest of your day. Thank you.

10

MR SLYFIELD: Thank you, Committee.

**MATTER ADJOURNED AT 10.43 AM UNTIL  
THURSDAY, 13 AUGUST 2020**