Submission to:

Environmental Protection Authority
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Approval to import *ethanedinitrile* (EDN), a fumigant for use on timber/logs under commercial conditions

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6 April 2018

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Draslovka, a Czech-based firm, has applied for approval to register and import *ethanedinitrile* (EDN) into New Zealand as an alternative to the fumigant methyl bromide which is used for export logs and timber at New Zealand ports.

Introduction

1. The New Zealand Forest Owners Association Incorporated (FOA) is the representative membership body for the commercial plantation forest growing industry. FOA members are responsible for the management of approximately 1.2 million hectares of New Zealand's plantation forests and more than 80% of the annual harvest.

2. Investment by the industry in research and technology fosters innovation in the plantation forestry sector. This is reflected in the commitment of the FOA and its members to the highest standards of sustainable silviculture, environmental practice and workforce safety. Substantial industry investment into phytosanitary options has been made by the industry via a levy on Methyl Bromide and Phosphine.

3. FOA is submitting on behalf of its national membership.

Comments on Forest Products Production and Trade

4. The total New Zealand plantation forest harvest in 2017 was approximately 33.5 million cubic metres. New Zealand domestic wood demand can be met from approximately 8-9 million cubic metres of logs. The surplus must be exported in either log or processed form. Domestic processing usage in 2017 was around 15 million cubic metres (around 6 million cubic metres of logs were processed and the output exported).

5. Approximately 18.5 million cubic metres of logs were exported in 2017. The value of log exports for the June 2017 year was $2.7 billion.

6. Both China and India require logs to be treated by NZ. There are currently three treatment options.

   China:
   a) Phosphine - 75% of log exports. Phosphine can only be used on cargo in a ships hold
   b) Debarking - 6% of log exports
   c) Methyl Bromide - 19% of log exports. 2.4 million cubic metres - $360 million

   India:
   a) Methyl Bromide - 100% of log exports. 1.9 million cubic metres - $272 million
   Phosphine and debarking are not approved treatments in India. Methyl bromide is

currently the only treatment accepted by India.

7. Export logs are an important option to balance grade mix with market demand. The loss of the Indian market and higher costs for the China market, would result in surplus low grade logs on the domestic market reducing prices, in particular affecting log harvest from higher cost log supply options (woodlots). The logs that are exported are primarily the lower grade parts of the tree, with the better quality pruned and structural logs, as well as pulp logs, consumed by domestic mills. Harvesting to supply these logs, without a profitable export log market for the lower grade logs, would be problematic for most forest owners.

8. Thousands of kiwi jobs rely upon the export log trade, and not just on ports. Any disruption to it would have material ripple-down effects. NZ forest harvest levels and their crews and log transport trucks working, would be disrupted hugely and most likely materially drop off.

9. As a result, supply of the better grade parts of the trees to domestic processors would also drop off, reducing incomes and jobs in the domestic processing sector. Or, if forced to cut lower grade logs as an alternative, reducing profitability and economic viability of some mills at least.

Comments on Methyl Bromide

10. Methyl bromide is an ozone depleting gas. While it is recognised as a very effective fumigant, international conventions require that it must be phased out and replaced with alternatives as they become available. The New Zealand EPA have decreed that methyl bromide use beyond October 2020 must include the use of recapture technologies. The use of methyl bromide at export ports is further regulated under the RMA via Regional Air Plans (discharges to air).

11. The use of methyl bromide for biosecurity and phytosanitary treatments is permitted by international agreements. These agreements, however, require countries to seek and use alternatives where possible and as they become available.

12. Our trading partners determine what treatments are required for logs exported from New Zealand. Some partners, India for example, does not accept any other treatment. On the other hand, China permits the use of phosphine, which is cost effective, and debarking as a risk reduction measure. New Zealand needs to continue to use methyl bromide until suitable alternative phytosanitary treatments for our logs are found that are technically and economically feasible and accepted by our trading partners.

Comments on EDN

13. FOA is advised that unlike methyl bromide, EDN is not an ozone-depleting gas (nor is it a greenhouse gas). Moreover, EDN is highly volatile and dilutes more quickly and easily in the environment degrading to form ammonia and carbon dioxide. FOA is advised that EDN does not remain as a residue in the environment nor does it accumulate in either the soil, or in plants or animals.

14. An extensive review of scientific literature commissioned by a NZ business cluster known as Stakeholders in Methyl Bromide Reduction (STIMBR) in 2014 identified EDN as the most promising alternative fumigant to methyl bromide as a phytosanitary control measure. Efficacy test results to date suggest it is an effective phytosanitary treatment for insects associated with New Zealand forest products.

15. Draslovka's application to the NZ EPA[1] indicates that EDN can be used for fumigation where average daily temperatures fall below 10°C (the limit for methyl bromide) and that EDN also controls a range of fungi, phytophthora and nematodes. FOA regards this as advantageous.

Our Submission

16. The FOA strongly supports the application from Draslovka, the manufacturer seeking an approval to import EDN for use on logs and timber in New Zealand.

17. The submitter wishes to be heard in support of its submission.

18. The FOA is happy for this submission to be made public.

David Rhodes
Chief Executive

[1] www.epa.govt.nz/assets/FileAPI/hsno-ar/APP202804/EDN-Application-form-27-2-2018.pdf