



Phytos levy and work update – July 2025

Welcome to another Phytos update.

Levy reduction

The Phytos Board recently approved a reduction in the Phytos levy rate for the start of the 2025/2026 financial year. From 1 July 2025, Phytos levy paying members will be charged \$0.02/Tonne (down from the previous \$0.04/Tonne). This change reflects the Board's focus on maintaining appropriate capital reserves and is informed by the challenging export climate and on the draft budget for the 2025/2026 financial year.

In approving an immediate reduction of the levy rate, the Board have also provided for a review prior to the AGM in November. One of the key considerations of that levy rate review will be the future research and development plan and associated costings. This is a key piece of work that the Board and executive are currently working through.

Research and Development planning

The Phytos Board and executive recently met to discuss the Phytos R&D priorities for the next 3 years. It concluded that its current objectives are fit for purpose, ie;

1. Protect and strengthen phosphine
2. China – protect and strengthen market access
3. India – recommencement plan

R&D and project work under each objective were also discussed and prioritised, eg, the debarking quality assurance program which sits under objective 2. The overall work program is now being scoped and costed prior to approval and implementation.

Debarking project update

- Led by Phytos, the debarking working group was established in response to Chinese customs (GACC) concerns related to pest interceptions on debarked consignments of NZ logs
- As part of our response, the working group agreed to develop and implement a quality assurance programme across debarking assets in New Zealand
- More specifically, the group have been working to include their debarking documentation into existing ISO 9001 quality systems where possible, conduct monthly audits (started in November) and make them available for regular progress meetings.
- Phytos has also engaged an independent quality auditor to complete an audit of each site's QA system and log output process/results prior to May 2025.
- As the scheme owner, Phytos has incorporated MPI's feedback and requirements into a second draft of the debarking scheme document.
- This scheme document will oversee the debarking pathway from a phytosanitary certification perspective and will involve ongoing engagement with MPI, log exporters and the debarking sector group.

The next steps of this project involve:

1. Independent quality systems audit feedback for operators – early July
2. Debarking working group meeting to agree on debarking scheme document - mid July
3. MPI consultation on changes to its OAP as they relate to this project – late July

Genera resource consent (Port of Tauranga)

- Genera has finally had its consent to discharge to air at the Port of Tauranga approved by the Environment Court. This followed protracted negotiations and mediation with local interest groups. In obtaining approval, Genera has conceded the ability to fumigate with methyl bromide (logs under tarps only) at the Port of Tauranga. Phytos understands that this activity will cease at the end of 2030.
- Members may recollect that the 2021 EPA MeBr reassessment decision¹ set recapture performance criteria at 95% (annual average recapture performance) as of 1 January 2031. This criteria is currently seen as unachievable and was part of the reason for not using MeBr after 2030.

FPEC - update

- FPEC (Forest Products Export Committee) meet recently in what was a full, efficient and well chaired meeting. The main points of interest for Phytos members included.
 - A clear message for log exporters to consider separating their phytosanitary certification between top stow, in hold and treatment type. This will help to improve traceability in several areas
 - A progress update on developing a second contingency based phytosanitary pathway for logs to India, ie, the systems approach. A working group is currently developing the framework for this pathway.
 - Both inbound and outbound delegations from, and to, India are planned before years end. More details to come.
 - MPI provided an update on the progress to get single dose phosphine for logs in ship holds to China approved, ie, 4-6 weeks away with operators having 6 months to get their procedures approved following the announcement. A 12-month review process is also built into this work.
 - Debarking and Genera's consent updates have been covered above
 - MPI is reviewing its charges for Phytosanitary certificates. These are set to increase with a timeline yet to be formally established.

Phytos continues to support and advocate for a range of relevant industry issues. If members do have issues that they would like to discuss then please feel free to get in touch with Matt (matt@phytos.co.nz).

¹ <https://www.epa.govt.nz/public-consultations/completed/reassessment-of-methyl-bromide/>