



Phytos work update – September 2026

Welcome to the latest Phytos update.

Message from the new Chairman – Phil Taylor

On 1 July, I took over as Chairman of the Phytos Board. I would like to acknowledge the significant contribution of our inaugural Chairman, Don Hammond. In my short time in the role, it has become clear that under Don's leadership, the Board and our Executive Officer, Matt Hill, have built a high-performing organisation that plays a vital role in protecting our supply chains and adding value to New Zealand's forest sector.

As countries increasingly adopt protectionist policies, phytosanitary controls are becoming more commonly used as non-tariff trade barriers. In this environment, it is essential that we maintain and advocate for a robust range of phytosanitary treatment options. This is why the work of Phytos is so important.

Phytos is funded through a voluntary levy on log exports, currently paid by around 70% of exporters. At just one cent per Tonne, the levy is minimal, yet 30% of exported volume does not contribute and therefore benefits from Phytos' work without sharing the cost.

A key challenge for the Board is to increase participation by clearly demonstrating the value Phytos delivers. This can be difficult because much of our value lies in preventing problems before they occur. Whether it is protecting access to existing phytosanitary treatments or advocating for lower-cost alternatives, Phytos works to safeguard our ability to export logs and maintain market access.

It is a privilege to serve as Chairman of Phytos. I am highly confident in the future of New Zealand's log exports, provided we continue to maintain the largely unrestricted phytosanitary access we have enjoyed to date. Ensuring this remains the case will be a key focus for Phytos, and I am confident the organisation will continue to play a critical role in supporting the long-term success of our sector.

Recent Board Activity

The Phytos Board continues to prioritise 2026/27 R&D and operational workstreams supporting New Zealand log exports. Key discussions and progress centre on market access pathways (particularly the systems approach trial for logs to India), the Phytos quality assurance scheme for debarked export logs, managing dispensations for Phlebiopsis, alternative treatment phosphine research and related sector initiatives.

Governance Update

Phytos has now completed the process for recruiting, selecting and appointing a replacement board member representative for a 'forest owner who exports'. This Board seat is currently held by Hazel Honour (New Forests) who is stepping down at the end of her term in December. Phytos is pleased to announce that Darren Mann from Earnslaw One has accepted the offer to join the Board and will be formally inducted prior to his term beginning in December.

Financial Update

Year-end financial accounts to 30 June 2026 are currently being audited, however unaudited results suggest Phytos will make a loss of approximately \$130,000. As mentioned previously, the FY2026/27

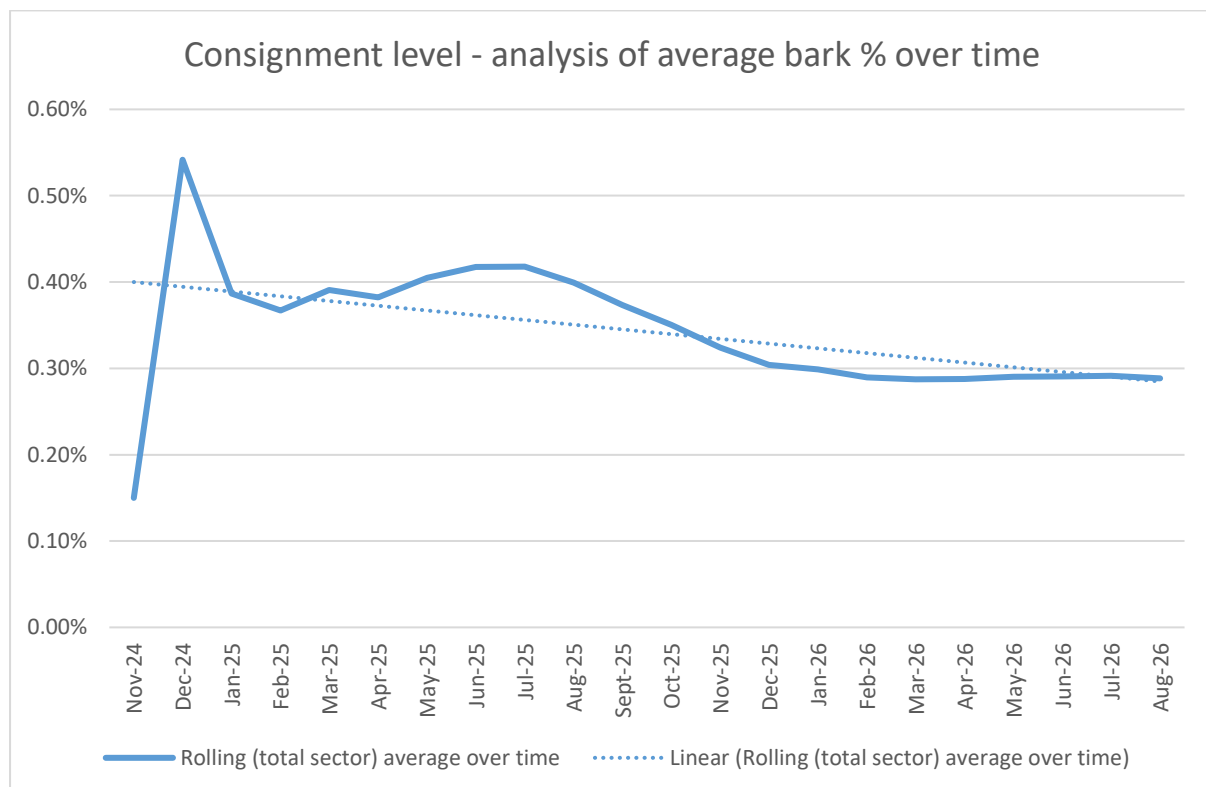
budget assumes reduced export log volume (18 MT) and Phytos revenues based on the reduced Phytos levy (\$0.01). As part of a predetermined financial plan, it is likely that Phytos will again make a loss in the current financial year, resulting in a further reduction in its reserves. An updated view will be presented to members as part of the AGM on 18 November.

India – Systems Approach Update

Strong support and momentum continue from both government and the sector for the “safe pathways – systems approach” for logs to India and, more specifically, an initial logs-in-containers trial. Phytos has been working closely with MPI on negotiations for approval of the systems approach and the trial. A customised technical paper on the efficacy of phosphine against bark beetles has been developed by Phytos. This paper, together with a previously developed technical risk analysis, will form part of MPI’s response to India. If approved, the trial (initially in containers) would provide a valuable contingency pathway alongside existing options.

Debarking – Quality Assurance Project Update

The debarking project is now in its completion phase. All debarkers are aligned, work improvements are established, the next round of systems auditing are being scheduled, and monthly reports are being completed on time in spec. The sector is ready for MPI’s consultation on an updated Logs Official Assurance Programme (OAP) which will include the requirement for exporters to trace debarked export logs back to a registered debarker (ie, using a registered Phytos unique debarking code). Monthly performance data continues to show bark percentages below the 2% threshold. It is pleasing to see continuous improvement over time (as illustrated below).





Although the supply chain occasionally produces individual debarked logs with bark above 5%, Phytos is aware of several work improvement initiatives aimed at reducing this unintended outcome.

The Phytos-funded scheme continues to strengthen market access for debarked logs and supports reliable phytosanitary certification.

Phlebiopsis Dispensation – Nelson Tasman Windthrow Logs

Following collaboration with MPI, FPEC, FOA, regional forest owners and exporters, the formal targeted dispensation application for *Phlebiopsis* spp. on salvaged Radiata pine logs from the Nelson Tasman windthrow events has been approved by MPI. An updated Logs OAP has been issued to the sector.

The time-bound variation allows:

- Export of salvage-grade logs containing *Phlebiopsis* (segregated at source, no tolerance limit)
- Limited tolerances in non-salvage rows at port

The dispensation is strictly limited to defined events, locations and timeframes and is supported by enhanced management plans, traceability and verification. A committee within FPEC will oversee any future dispensation requests. *Phlebiopsis* is not a regulated pest by importing countries, and the approach maintains phytosanitary standards while reducing operational disruption.

Other Updates

- NZ Pine brand: An overview of the oversight group's work has been circulated to sector representatives. This includes the proposed brand. NZTE market research from India indicates high demand for raw wood products (logs). John Gardner has joined the NZ Pine Oversight Group as a log exporter representative. Phytos remains represented on the related India growers special interest group.
- Phytos continues engagement on cross-sector initiatives supporting forestry exports to India.
- Log exporters are reminded of the value of separating phytosanitary certification by top stow, in-hold and treatment type to improve traceability.
- Literature review: The 2014 Armstrong report, covering the broader phytosanitary and treatment environment as well as EDN, phosphine, methyl bromide and sulphuryl fluoride has been updated. This will be a valuable resource for the sector and will feature in the R&D presentation at the AGM.
- Phytos remains in discussion with relevant parties on emerging biosecurity technology and market-access options.

Phytos continues to advocate strongly for the sector. If you have any issues or suggestions, please contact Executive Officer Matt Hill at matt@phytos.co.nz.