

MEMBERS' BULLETIN

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Welcome

This *Members' Bulletin* is intended to keep you up-to-date with ATIF activities. This edition updates previous advice on the serious issue of Brown Marmorated Stink Bug (BMSB) treatment requirements and the potential impact on Chapter 44 timber products during the upcoming BMSB 2019-20 risk season. Also brief comment on proposed ATIF activity related to difficulties and escalating costs associated with port congestion and charges, and some remarks about imported of sawn timber softwood trends.

Brown Marmorated Stink Bug update

ATIF continues to be engaged with activity related to required treatment of Brown Marmorated Stink Bug (BMSB), specifically:

- The Inspector General of Biosecurity has commenced a review into BMSB treatment measures to assess the effectiveness of the biosecurity measures to manage BMSB risks.
- Discussions on seasonal measures for the BMSB 2019-20 risk season.

Preliminary advice from the Department of Agriculture and Water Resources (DAWR) on measures for the 2019-20 season, from 1 September 2019 to 30 April 2020, is cause for significant concern. The list of BMSB target counties has increased from 9 to 32 (that now includes Canada). Mandatory treatments requirements for target high risk products (heat treatment, methyl bromide and sulfuryl fluoride fumigation) remain the same as for last year.

DAWR is working to expand the number of authorised treatment providers and progressing other measures to mitigate the impact of BMSB treatment requirements. A series of workshops are planned and ATIF will be participating in these workshops. These workshops will include safeguarding arrangements for certain goods and supply chains where BMSB risk can be eliminated. It is hoped that at least some timber products will 'qualify' for these arrangements.

Associated with hard copies of this edition of the *Bulletin* are copies of material provided by DAWR as preliminary advice for the 2019-2020 BMSB season. Details on the 2019-20 BMSB seasonal measures and on how to prepare for the season commencing 1 September 2019 will be available from: www.agriculture.gov.au/bsmb Queries can be directed to spp@agriculture.gov.au or the BMSB hotline 1800 900 090.



Port congesting and charges

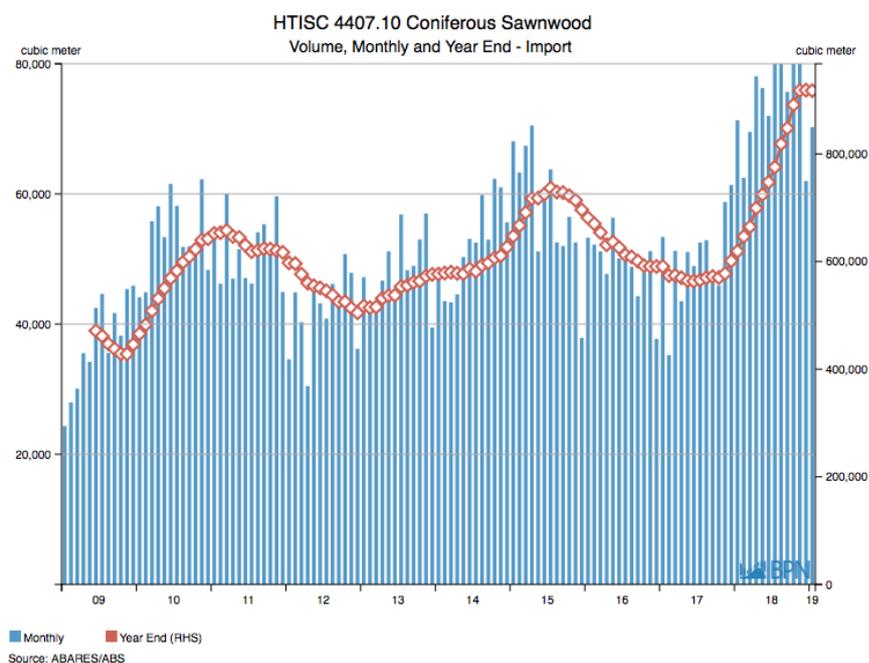
The issue of difficulties and escalating costs associated with port congestion and charges is of concern to a range of product importing and exporting companies, including timber importers. ATIF has been in discussion with several member companies over this matter and also with freight forwarders and the Freight & Trade Alliance.

The ATIF Board has directed that given the level of concern to timber importers, ATIF would prepare a submission and letter to the relevant minister to support actions being taken by other import and export companies, logistics companies and trade organisations. Work on the submission has commenced.

Softwood imports continue to climb

Australia's imports of sawn softwood lifted to 917,505 cubic metres over the year-ended January 2019, rising 48.2% on the prior year. Although there is current evidence of a downturn in demand and imports, the record levels of annual imports have been stable over the last few months. On a monthly basis, imports in January 2019 totalled 70,274 cubic metres, down just 1.5% on January 2018. Imports are more stable than the market situation might suggest.

The chart below shows that roughly every three years, imports have grown to a new peak, before plateauing and subsequently declining. The current record cycle is observably different to the two previous peaks – imports grew faster and in the last three months (November 2018 to January 2019) and have, on an annualised basis, been very stable.



Industry participants have also pointed to another difference in this latest peak. The growth in imports was largely orderly and rational, filling a supply gap and need. That does not mean, especially in mid 2018, that imports were not impacted by some more opportunistic behaviours, but it does appear that substantial stock inventories in supply in late 2018 are being managed in a more orderly manner than has traditionally been the case. For instance, there does not appear to have been any substantial discounting to clear inventories, or additional and wide-scale spikes in imports.