Loss Prevention Bulletin

Ship Type: All Trade Area: Far East/USA - Brazil

Bulletin 124 - 01/00 - Wood Packaging/Timber Import Restrictions - Brazil

We would bring Members' attention to the fact that the Ministries of Agriculture and Finance in Brazil have issued Inter-Ministerial Service Order 499 of 3rd November 1999, which became effective as from 5th January 2000. This order establishes severe restrictions on both timber imports and the utilisation of wood in the transportation of cargo, such as cases, skids, pallets etc.

The importer will bear not only the responsibility to ensure compliance with the order but will also bear any expenses incurred with incineration or fumigation, if so ordered by the relevant authorities.

The order does not contemplate any sanctions against shipowners. However, it remains to be seem whether owners would be held liable for problems arising in containers carried under LCL/LCL movements.

At this time we understand wooden floors of containers will not be looked at and that containers will only have to comply with the quarantine program of the manufacturing country.

A copy of the order is quoted below:

- "Art. 4 Declare as preferential for entry into the country the type of packing in which no wood is used, or in the event of wooden packing being used, that wood has been duly treated in accordance with what is laid down in this Portaria in order to avoid insect nestling, or that same consists of wood which has been processed such as plywood or agglomerates: i.e. material in the manufacturing of which is used wood, glue, heat and pressure.
- Art. 5 All wooden packing/support for any type of cargo transport purposes which enters into the country must be free of bark, insects or damage caused by such insects. In the event of not complying with these exigencies, the wooden packing or otherwise becomes subject to what is foreseen in paragraph 1 of this article.

Paragraph 1 The wooden packing which either originates from or has been in transit through China (including Hong Kong), Japan, South Korea, North Korea and the United States of America must be incinerated preferentially in the primary clearance areas and, in case this is impossible, must be transported to its final destination in their containers or in closed trucks; the importer being responsible for the onus of incineration, fiscalization of this action and all other expenses involved.

Paragraph 2 The incineration may be checked upon at the criteria of the representations of either the Ministry of Agriculture or the Ministry of Finance and in case of non compliance the responsible party shall be subject to the prevailing legal penalties.

Art. 6 The wooden packing or supports in cargo transport which has been treated must be transported in such a manner that during the transport route infestation is avoided, whilst the material must be accompanied by an official Sanitary Protection Certificate issued by the authorities of the country of origin, which guarantees, prior to loading, that it has been treated by heat, fumigation or another form of preservation to be agreed upon in previous consultation with the Brazilian sanitary authorities, in which it is stated the product, dosage, exposure time to temperature used for fumigation, whilst said Certificate must be delivered in the place of entry of the country to officials of the Ministry of Agriculture.

Paragraph 1 The fumigation treatment must be carried out during a period which does not exceed 15 (fifteen) days prior to date of loading of the cargo in its country of origin.

Paragraph 2 In the absence of an Official Sanitary Certificate, the packing must be submitted to the action foreseen in art. 5 parag. 1 of this [Notice], or be fumigated prior to customs clearance by a specialized company which is duly registered by the Ministry of Agriculture, under the supervision of agricultural officials, at the expense of the importer, with the utilization of methyl bromide (80 g/M3 during 24 hours at a minimum temperature of 21 degrees C.) or of another fumigant legally authorized for this purpose, but which does not attack metals, or also by alternative treatments of proven efficiency such as kiln-drying under temperatures which reduce humidity contents to a maximum of 20%.

Art. 7 Other countries may be added to art. 5 paragraph 1 of this [Notice] or new determinations issued by combined act of the Federal Revenue Dept. of the Ministry of Finance and the Secretaria of Agricultural Defense of the Ministry of Agriculture.

In its considerations for the restrictive measures to protect national forestry, the Act mentions a.o. the appearance of and the damages already caused in the USA. by the so called 'Chinese beetle', and the appearance of another high-risk insect in South Brasil."

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