PEAT

(Data in thousand metric tons, unless otherwise noted)¹

<u>Domestic Production and Use</u>: The estimated f.o.b. plant value of marketable peat production in the contiguous United States was about \$16 million in 1997. Peat was harvested and processed by about 60 producers in 20 States; Florida, Michigan, and Minnesota were the largest producing States in order of importance. Reed-sedge peat accounted for about 70% of the total volume followed by sphagnum moss, 15%; humus and hypnum moss accounted for the remaining 15%.

Approximately 95% of domestic peat was sold for horticulture/agriculture usage, including general soil improvement, potting soils, earthworm culture, nursery business, and golf course maintenance and construction, in order of importance. Other applications included seed inoculants, vegetable cultivation and mushroom culture, mixed fertilizers, and packing for flowers and plants. In the industrial sector, peat found widespread use as an oil absorbent, an efficient filtration medium for the removal of waterborne contaminants in mine waste streams, and municipal storm drainage. Peat also was used as an effective sterile absorbent in feminine hygiene products, and, to a lesser extent, as a fuel source.

Salient Statistics—United States:	<u> 1993</u>	<u>1994</u>	<u> 1995</u>	<u> 1996</u>	<u> 1997°</u>
Production	616	574	589	549	500
Commercial sales	612	552	660	640	620
Imports for consumption	648	669	669	667	680
Exports	8	23	20	19	20
Consumption, apparent ²	1,290	1,240	1,110	1,240	1,200
Price, average value, f.o.b. mine, dollars per ton	27.54	27.22	25.80	28.90	26.00
Stocks, producer, yearend	269	252	384	342	300
Employment, mine and plant, number ^e	650	650	800	800	800
Net import reliance ³ as a percent of					
apparent consumption	53	53	57	56	58

Recycling: None.

Import Sources (1993-96): Canada, 100%.

 Tariff:
 Item
 Number
 Most favored nation (MFN)
 Non-MFN⁴

 12/31/97
 12/31/97
 12/31/97

 Peat
 2703.00.0000
 Free
 Free.

Depletion Allowance: 5% (Domestic).

Government Stockpile: None.

PEAT

Events, Trends, and Issues: The Canadian sphagnum peat industry continued to capitalize on the environmentally restricted U.S. peat industry by shipping another record high volume. In 1997, Canadian peat shipments to the United States were proceeding at an annual rate of 680,000 tons.

Estimated peat production from countries in the Former Soviet Union (FSU) accounts for a significant portion of global production. Because the quantity of peat produced in the FSU for agricultural purposes is not reported on a consistent and reliable basis, worthwhile estimates cannot be made; the quantity of peat produced in the FSU for agricultural purposes is not included in world production tabulations, even though the quantity produced is thought to be significant. Therefore, the world production numbers presented below are not comparable to previous years' reports.

The outlook for the domestic peat industry will likely be governed by several variables, including future wetlands regulation, the ability to permit new bogs, growth and competition from recycled yard wastes and other organic materials, and Canadian competition.

World Mine Production, Reserves, and Reserve Base:

	Mine	Mine production		Reserve base ⁵
	<u>1996</u>	<u>1997°</u>		
United States	549	500	15,000	6,400,000
Belarus ^{e 6}	279	300	$(^{7})$	(7)
Canada	783	900	22,000	300,000,000
Estonia ^{e 6}	950	1,000	$(^{7})$	(7)
Finland	5,450	5,500	64,000	6,400,000
Germany	2,980	3,000	42,000	450,000
Ireland	7,387	7,000	160,000	820,000
Latvia ^{e 6}	463	450	$(^{7})$	(⁷)
Lithuania ^{e 6}	200	200	$\binom{7}{1}$	(7)
Russia ^{e 6}	2,500	2,500	$\binom{7}{1}$	(7)
Sweden	1,650	1,700	$\binom{7}{1}$	(7)
Ukraine ^{e 6}	1,000	1,000	$\binom{7}{1}$	(7)
United Kingdom ^e	500	500	$\binom{7}{1}$	(7)
Other countries	<u>1,560</u>	<u>1,600</u>	4,900,000	<u>150,000,000</u>
World total (rounded)	25,800	26,000	5,200,000	460,000,000

<u>World Resources</u>: World resources of peat were estimated to be 1.9 trillion tons, of which the FSU has about 770 billion tons and Canada about 510 billion tons. Domestic deposits of peat occur in all 50 States, with estimated resources of about 310 billion tons or about 16% of the world total.

<u>Substitutes</u>: Natural organic materials may be composted and compete in certain applications. The superior water-holding capacity and physiochemical properties of peat limit substitution alternatives.

eEstimated.

¹See Appendix A for conversion to short tons.

²Defined as production + imports - exports + adjustments for industry stocks.

³Defined as imports - exports + adjustments for Government and industry stock changes.

⁴See Appendix B.

⁵See Appendix D for definitions.

⁶Does not include agricultural peat production.

⁷Included with "Other countries."