

PEAT

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

Domestic Production and Use: The estimated f.o.b. plant value of marketable peat production in the conterminous United States was about \$21 million in 2001. Peat was harvested and processed by about 60 producers in 16 of the conterminous States, and several producers in Alaska, which were canvassed independently by the Alaska Department of Natural Resources. Florida, Michigan, and Minnesota were the largest producing States, in order of quantity produced. Reed-sedge peat accounted for 81% of the total volume followed by hypnum moss, 7%, sphagnum moss and humus each accounted for 6%. Approximately 95% of domestic peat was sold for horticulture use, including general soil improvement, potting soils, earthworm culture, nursery business, and golf course maintenance and construction. Other applications included seed inoculants, vegetable cultivation and mushroom culture, mixed fertilizers, and packing for flowers and plants. In the industrial sector, peat was used as an oil absorbent and as an efficient filtration medium for the removal of waterborne contaminants in mine waste streams and municipal storm drainage.

Salient Statistics—United States:	1997	1998	1999	2000	2001^e
Production	661	685	731	755	812
Commercial sales	753	791	834	847	936
Imports for consumption	754	761	752	786	800
Exports	22	30	40	37	25
Consumption, apparent ²	1,310	1,430	1,580	1,500	1,620
Price, average value, f.o.b. mine, dollars per ton	23.23	24.26	26.48	26.85	23.00
Stocks, producer, yearend	421	408	272	279	250
Employment, mine and plant, number ^e	800	800	800	800	800
Net import reliance ³ as a percentage of apparent consumption	50	52	54	50	50

Recycling: None.

Import Sources (1997-2000): Canada, 99%; and other, 1%.

Tariff: Item	Number	Normal Trade Relations
Peat	2703.00.0000	<u>12/31/01</u> Free.

Depletion Allowance: 5% (Domestic).

Government Stockpile: None.

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Events, Trends, and Issues: Imports of sphagnum peat moss increased for the fourth consecutive year, accounting for 50% of consumption. The United States is the largest importer of Canadian peat moss.

Development of new horticultural peat operations or expansion of existing operations has become increasingly difficult in the United States. Numerous Federal, State, and local wetlands protection regulations apply to permitting, harvesting, and reclamation of peat bogs and often overlap. The cost of compliance and the time required to obtain the proper permits have led some smaller companies to stop harvesting peat.

Peat demand is anticipated to continue to grow at a steady rate for the near future, with the percentage of peat from Canada increasing concurrently. Soil blending companies that import peat from Canada stand to benefit from growing demand for high-quality sphagnum moss. The outlook for the domestic peat producers will be governed by several variables, chiefly, the ability to permit new bogs, the level of Canadian competition, and competition from composted yard wastes.

World Mine Production, Reserves, and Reserve Base:

	Mine production		Reserves⁴	Reserve base⁴
	<u>2000</u>	<u>2001^e</u>		
United States	755	812	15,000	6,400,000
Belarus	2,100	2,000	(5)	(5)
Canada	1,230	1,300	22,000	30,000,000
Estonia	1,000	700	(5)	(5)
Finland	7,400	7,400	64,000	3,000,000
Germany	2,980	3,000	42,000	450,000
Ireland	5,500	5,000	160,000	820,000
Latvia	650	400	(5)	(5)
Lithuania	350	350	(5)	(5)
Moldova	475	475	(5)	(5)
Russia	2,000	2,000	(5)	(5)
Sweden	700	800	(5)	(5)
Ukraine	1,000	1,000	(5)	(5)
United Kingdom	500	500	(5)	(5)
Other countries	<u>760</u>	<u>961</u>	<u>4,900,000</u>	<u>160,000,000</u>
World total (rounded)	<u>27,400</u>	<u>26,700</u>	<u>5,200,000</u>	<u>200,000,000</u>

World Resources: U.S. resources of peat were estimated at more than 110 billion tons, with more than 50% located in undisturbed areas of Alaska. World resources of peat were estimated to be 2 trillion tons, of which the former Soviet Union has about 770 billion tons and Canada about 510 billion tons.

Substitutes: 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 C for definitions.

⁵Included with "Other countries."