

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 contiguous United States was about \$16 million in 1998. 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 60% of the total volume followed by sphagnum moss, 25%; 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:	1994	1995	1996	1997	1998^e
Production	574	589	549	661	550
Commercial sales	552	660	640	753	611
Imports for consumption	669	669	667	754	830
Exports	23	20	19	22	25
Consumption, apparent ²	1,240	1,110	1,240	1,310	1,380
Price, average value, f.o.b. mine, dollars per ton	27.22	25.80	28.90	23.23	28.80
Stocks, producer, yearend	252	384	342	421	400
Employment, mine and plant, number ^e	650	800	800	800	800
Net import reliance ³ as a percent of apparent consumption	53	57	56	50	60

Recycling: None.

Import Sources (1994-97): Canada, 100%.

Tariff:	Item	Number	Normal Trade Relations (NTR)	Non-NTR⁴
			12/31/98	12/31/98
	Peat	2703.00.0000	Free	Free.

Depletion Allowance: 5% (Domestic).

Government Stockpile: None.

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Events, Trends, and Issues: Restrictions placed on wetlands development by Federal and State agencies have led to the closures of many peat bogs over the past five years. This has resulted in the Canadian sphagnum peat industry, with its large reserves, capturing a greater percentage of the domestic market. In 1998, shipments of peat from Canada were proceeding at a record annual rate of 830,000 tons.

A major U.S. peat producer acquired a brand of peat products from the major producer in Ireland. Under the agreement, the Irish company will mix and package peat products for the U.S. company for sale in Ireland and the United Kingdom. The U.S. producer also obtained preferential access to the other company's vast peat reserves in Ireland.

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.

The outlook for the domestic peat industry likely will be influenced by several variables, including future regulations restricting the use of wetlands, the ability to permit new bogs, growth and competition from composted yard wastes and other organic materials, and Canadian competition.

World Mine Production, Reserves, and Reserve Base:

	Mine production		Reserves ⁵	Reserve base ⁵
	1997	1998 ^e		
United States	661	550	150,000	6,400,000
Belarus ^{e 6}	300	300	(⁷)	(⁷)
Canada	849	900	22,000	300,000,000
Estonia ^{e 6}	1,100	1,100	(⁷)	(⁷)
Finland	5,450	5,500	64,000	6,400,000
Germany	2,980	3,000	42,000	450,000
Ireland	7,300	7,300	160,000	820,000
Latvia ^{e 6}	442	450	(⁷)	(⁷)
Lithuania ^{e 6}	200	200	(⁷)	(⁷)
Russia ^{e 6}	2,500	2,500	(⁷)	(⁷)
Sweden	1,650	1,700	(⁷)	(⁷)
Ukraine ^{e 6}	1,000	1,000	(⁷)	(⁷)
United Kingdom ^e	550	550	(⁷)	(⁷)
Other countries	<u>1,000</u>	<u>1,000</u>	<u>4,900,000</u>	<u>150,000,000</u>
World total (rounded)	26,000	26,000	5,300,000	460,000,000

World Resources: 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.

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 B.

⁵See Appendix D for definitions.

⁶Does not include agricultural peat production.

⁷Included with "Other countries."