

PEAT

(Data in thousand metric tons, unless 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 1995. Alaskan peat output was valued at \$450,000 by the State Department of Natural Resources, Division of Geological and Geophysical Surveys, in Fairbanks, AK. Large firms, operating bogs over a wide geographic area in the United States, reported relatively level production, along with a moderate increase in sales. Peat was harvested and processed by about 70 producers in 21 States. Reed-sedge peat accounted for about 70% of total U.S. peat production by volume, followed by sphagnum moss, 18%; humus, 7%; and hypnum moss, 5%. Geographically, about 85% of U.S. peat production was from the Great Lakes, and Southeast Regions, led by Florida, Michigan, and Minnesota, in order of importance. The remainder was produced in the Midwest, Northeast, and West.

Approximately 95% of domestic peat was sold for horticulture/agriculture usage, including general soil improvement, potting soils, earthworm culture, the 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:	1991	1992	1993	1994	1995^e
Production	632	599	616	574	580
Commercial sales	703	652	612	552	580
Imports for consumption	573	639	648	669	700
Exports	13	22	8	23	20
Consumption, apparent ²	1,250	1,230	1,290	1,240	1,290
Price, average value, f.o.b. mine, dollars per ton	25.29	25.68	27.54	27.22	27.00
Stocks, producer, yearend	298	308	269	252	220
Employment, mine and plant	650	650	650	650	650
Net import reliance ³ as a percent of apparent consumption	49	49	53	53	55

Recycling: None.

Import Sources (1991-94): Canada, 100%.

Tariff:	Item	Number	Most favored nation (MFN) 12/31/95	Non-MFN⁴ 12/31/95
	Peat	2703.00.0000	Free	Free.

Depletion Allowance: 5% (Domestic).

Government Stockpile: None.

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Events, Trends, and Issues: Several operations were idled owing to permitting problems associated with increasingly stringent federal regulations and the proliferation of subsidized composting programs. A major horticultural peat firm in the United States planned to exit in the business, given the existing climate of diminishing returns.

The Canadian sphagnum peat industry continued to capitalize on the environmentally restricted U.S. peat industry by shipping another record high volume. In 1995, Canadian peat shipments to the United States were proceeding at an annual rate of 720,000 tons, representing an increase of about 7% in volume and 3% in value. Thus, the aggressive marketing strategy adopted some years back by the Canadian industry resulted in an increase in the U.S. net import reliance from 53% to 55% between 1994 and 1995. The value of Canadian peat shipped to the U.S. marketplace was projected to reach about \$130 million at U.S. Customs, eclipsing the value to the total U.S. peat industry by approximately eightfold.

The public and private sectors introduced new peat products, including renewable sphagnum top moss used as a decorative accessory by the florist industry and encapsulated sphagnum moss beads that effectively captured heavy metals in industrial waste stream effluents. The outlook for horticulture during the remainder of the century is bright, according to U.S. Department of Agriculture market research studies. U.S. production will likely be governed principally by future wetlands environmental regulation, the ability to permit new bogs, competition from recycled natural organic materials, and Canadian competition.

World Mine Production, Reserves, and Reserve Base:

	Mine production		Reserves ⁵	Reserve base ⁵
	1994	1995 ^e		
United States	574	580	15,000	6,400,000
Belarus	16,000	18,000	(⁶)	(⁶)
Canada	1,020	1,200	22,000	300,000,000
Estonia	5,500	5,500	(⁶)	(⁶)
Finland	8,550	7,000	64,000	6,400,000
Germany	2,980	2,900	42,000	450,000
Ireland	6,650	6,500	160,000	820,000
Latvia	5,000	5,000	(⁶)	(⁶)
Lithuania	4,700	4,800	(⁶)	(⁶)
Russia	64,000	60,000	(⁶)	(⁶)
Sweden	1,650	1,700	(⁶)	(⁶)
Ukraine	21,000	21,000	(⁶)	(⁶)
Other countries	<u>942</u>	<u>1,000</u>	<u>4,900,000</u>	<u>150,000,000</u>
World total (rounded)	139,000	135,000	5,200,000	460,000,000

World Resources: World resources of peat were estimated to be 1.9 trillion tons, of which the Former Soviet Union 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 C for definitions.

⁶Included with "Other countries."