

## PEAT

(Data in thousand metric tons, unless otherwise noted)<sup>1</sup>

**Domestic Production and Use:** The estimated f.o.b. plant value of marketable peat production in the conterminous United States was \$15.9 million in 2003. Peat was harvested and processed by about 55 companies in 15 of the conterminous States; several other producers in Alaska were canvassed independently by the Alaska Department of Natural Resources. Florida, Michigan, and Minnesota were the largest producing States, in order of quantity harvested. Reed-sedge peat accounted for 88% of the total volume produced, followed by hypnum moss, 4%, humus, 4%, and sphagnum moss, 4%. More than 85% of domestic peat was sold for horticultural use, including general soil improvement, potting soils, earthworm culture, nurseries, and golf course construction. Other applications included seed inoculants, vegetable cultivation, mushroom culture, mixed fertilizers, and packing for flowers and plants. In the industrial sector, peat was used as oil absorbent and as an efficient filtration medium for the removal of waterborne contaminants in mine waste streams, municipal storm drainage, and septic systems.

<b><u>Salient Statistics—United States:</u></b>	<b><u>1999</u></b>	<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003<sup>e</sup></u></b>
Production	731	792	870	642	618
Commercial sales	834	847	998	933	728
Imports for consumption	752	786	776	763	790
Exports	40	37	31	32	30
Consumption, apparent <sup>2</sup>	1,580	1,530	1,640	1,420	1,390
Price, average value, f.o.b. mine, dollars per ton	26.48	26.85	24.82	26.70	25.75
Stocks, producer, yearend	272	279	257	207	200
Employment, mine and plant, number <sup>e</sup>	800	800	800	800	800
Net import reliance <sup>3</sup> as a percentage of apparent consumption	54	48	47	55	55

**Recycling:** None.

**Import Sources (1999-2002):** Canada, 99%; and other, 1%.

<b><u>Tariff:</u></b>	<b><u>Item</u></b>	<b><u>Number</u></b>	<b><u>Normal Trade Relations</u></b>
			<b><u>12/31/03</u></b>
	Peat	2703.00.0000	Free.

**Depletion Allowance:** 5% (Domestic).

**Government Stockpile:** None.

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**Events, Trends, and Issues:** Peat production in the conterminous United States has fallen from a high of 870,000 tons in 2001 to 618,000 tons in 2003 mainly because a major processor ceased harvesting peat. Additionally, several companies in the Midwest were affected by wet weather conditions that reduced amount of peat harvested. Sphagnum moss peat is preferred for potting soils, seed propagation, garden mulches, and other home gardening applications because of its fibrous composition and superior ability to retain moisture. Sphagnum peat was imported both in packaged and bulk form for custom soil blending.

Because peat is the primary constituent of growing media, the demand for peat generally follows that for horticultural applications. Over the past decade, golf course construction and maintenance, residential and commercial landscaping, and rising interest in home gardening have all contributed to increased peat usage. According to recent studies, four out of five U.S. households undertook some form of lawn and garden activity, and the average family spent \$466 per year on their yards. Overall, gardening is a \$40 billion per year industry in the United States. Although demand for peat in the United States will likely continue to grow, the amount obtained from domestic producers may be supplanted by imports from Canada. Several other important factors, including Federal and State wetlands protection regulations, restrictions on permitting new bogs, and competition from composted yard waste and other organic materials also will have an influence the domestic peat industry.

### **World Mine Production, Reserves, and Reserve Base:**

	Mine production		Reserves <sup>4</sup>	Reserve base <sup>4</sup>
	2002	2003 <sup>e</sup>		
United States	642	618	15,000	6,400,000
Belarus	2,100	2,000	(5)	(5)
Canada	1,300	1,300	22,000	30,000,000
Estonia	850	800	(5)	(5)
Finland	5,500	6,500	64,000	3,000,000
Germany	4,100	4,000	42,000	450,000
Ireland	2,750	5,000	160,000	820,000
Latvia	560	600	(5)	(5)
Lithuania	270	550	(5)	(5)
Moldova	475	475	(5)	(5)
Russia	2,100	2,100	(5)	(5)
Sweden	1,150	1,200	(5)	(5)
Ukraine	1,000	1,000	(5)	(5)
United Kingdom	500	250	(5)	(5)
Other countries	<u>862</u>	<u>912</u>	<u>4,900,000</u>	<u>160,000,000</u>
World total (rounded)	24,200	27,300	5,200,000	200,000,000

**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 Belarus, Russia, Ukraine, and other countries of the Commonwealth of Independent States have about 770 billion tons and Canada about 510 billion tons.

**Substitutes:** Natural organic materials may be composted and compete with peat in certain applications. Shredded paper is used to hold moisture for some grass-seeding applications. The superior water-holding capacity and physiochemical properties of peat limit substitution alternatives.

<sup>e</sup>Estimated.

<sup>1</sup>See Appendix A for conversion to short tons.

<sup>2</sup>Defined as production + imports – exports + adjustments for industry stocks.

<sup>3</sup>Defined as imports – exports + adjustments for Government and industry stock changes.

<sup>4</sup>See Appendix C for definitions.

<sup>5</sup>Included with "Other countries."