

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 estimated at \$19.7 million in 2000. Peat output in Alaska was valued at \$190,000, according to the Alaska Department of Natural Resources. Peat was harvested and processed by about 60 producers in 20 of the contiguous States and by several producers in Alaska. Florida, Michigan, and Minnesota were the largest producing States, in order of quantity produced. Reed-sedge peat accounted for about 81% of the total volume, followed by sphagnum moss, 8%; hypnum moss, 6%; and humus, the remaining 5%. Approximately 95% of domestic peat was sold for horticultural 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, an efficient filtration medium for the removal of waterborne contaminants in mine waste streams and municipal storm drainage.

Salient Statistics—United States:	1996	1997	1998	1999	2000^e
Production	549	661	685	731	727
Commercial sales	640	753	791	834	759
Imports for consumption	667	754	761	752	800
Exports	19	22	30	40	40
Consumption, apparent ²	1,240	1,310	1,430	1,580	1,510
Price, average value, f.o.b. mine, dollars per ton	28.90	23.23	24.26	26.48	27.09
Stocks, producer, yearend	342	421	408	272	250
Employment, mine and plant, number ^e	800	800	800	800	800
Net import reliance ³ as a percent of apparent consumption	56	50	52	54	52

Recycling: None.

Import Sources (1996-99): Canada, 99%, other, 1%.

Tariff:	Item	Number	Normal Trade Relations
			12/31/00
	Peat	2703.00.0000	Free.

Depletion Allowance: 5% (Domestic and foreign).

Government Stockpile: None.

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Events, Trends, and Issues: In 2000, domestic production was estimated to have remained about the same as in 1999, while consumption and sales decreased slightly. Domestic peat production and use has been trending upward over the past decade, owing to increasing demand for horticultural usage. Peat has become an essential requirement in horticulture worldwide, and the percentage of world production used for horticulture versus energy has been increasing each year. Sphagnum moss, which comprises less than 10% of domestic production, is the type of peat preferred by consumers in North America; the United States is the largest market for Canadian sphagnum peat moss, accounting for more than 50% of domestic demand since 1993.

A major U.S. peat producer purchased the worldwide distribution rights for horticultural and peat products manufactured by the largest peat producer in Western Europe. The company previously had acquired the brand name and distribution rights for the United Kingdom and Ireland. Another U.S. company was expanding its soil blending facility in Florida; sphagnum peat is imported from its subsidiary company in Quebec for use at the plant.

Demand for peat is expected to continue growing at a steady rate in the near future, with the percentage of peat being imported 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 growth and competition from composted yard wastes.

World Mine Production, Reserves, and Reserve Base:

	Mine production		Reserves ⁴	Reserve base ⁴
	1999	2000 ^e		
United States	731	727	15,000	6,400,000
Belarus	^e 2,000	2,000	(⁵)	(⁵)
Canada	1,310	1,500	22,000	30,000,000
Estonia	^e 923	1,000	(⁵)	(⁵)
Finland	^e 7,400	7,400	64,000	6,400,000
Germany	^e 2,980	3,000	42,000	450,000
Ireland	5,600	6,000	160,000	820,000
Latvia	683	700	(⁵)	(⁵)
Lithuania	300	300	(⁵)	(⁵)
Russia	^e 2,000	2,000	(⁵)	(⁵)
Sweden	1,050	1,100	(⁵)	(⁵)
Ukraine	^e 1,000	1,000	(⁵)	(⁵)
United Kingdom	^e 500	500	(⁵)	(⁵)
Other countries	730	750	4,900,000	160,000,000
World total (rounded)	27,000	28,000	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 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."