

## 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 contiguous United States was about \$14 million in 1996. 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 65 producers in 21 States. Reed-sedge peat accounted for about 70% of total U.S. peat production by volume, followed by sphagnum moss, 13%; humus, 12%; and hypnum moss, 6%. Geographically, about 85% of U.S. peat production was from the Great Lakes and Southeast Regions, led by Florida, Michigan, and Minnesota. 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, 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.

<b><u>Salient Statistics—United States:</u></b>	<b><u>1992</u></b>	<b><u>1993</u></b>	<b><u>1994</u></b>	<b><u>1995</u></b>	<b><u>1996<sup>e</sup></u></b>
Production	599	616	574	588	535
Commercial sales	652	612	552	660	667
Imports for consumption	639	648	669	669	740
Exports	22	8	23	23	18
Consumption, apparent <sup>2</sup>	1,230	1,290	1,240	1,100	1,260
Price, average value, f.o.b. mine, dollars per ton	25.68	27.54	27.22	25.80	25.34
Stocks, producer, yearend	308	269	252	384	380
Employment, mine and plant, number	650	650	650	800	1,000
Net import reliance <sup>3</sup> as a percent of apparent consumption	49	53	53	57	58

**Recycling:** None.

**Import Sources (1992-95):** Canada, 100%.

<b><u>Tariff:</u></b>	<b><u>Item</u></b>	<b><u>Number</u></b>	<b><u>Most favored nation (MFN)</u></b>	<b><u>Non-MFN<sup>4</sup></u></b>
			<b><u>12/31/96</u></b>	<b><u>12/31/96</u></b>
	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 close, 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 1996, Canadian peat shipments to the United States were proceeding at an annual rate of 735,000 tons, representing an increase of about 10% in volume and 5% 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 58% between 1995 and 1996.

The public and private sectors introduced new peat products, including renewable sphagnum top moss used as a decorative accessory by the floral 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. peat 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 <sup>5</sup>	Reserve base <sup>5</sup>
	<u>1995</u>	<u>1996<sup>e</sup></u>		
United States	588	535	15,000	6,400,000
Belarus	10,315	10,000	(6)	(6)
Canada	1,010	1,050	22,000	300,000,000
Estonia	4,952	4,500	(6)	(6)
Finland	5,500	5,800	64,000	6,400,000
Germany	2,980	2,950	42,000	450,000
Ireland	6,850	6,500	160,000	820,000
Latvia	4,402	4,200	(6)	(6)
Lithuania	4,714	4,500	(6)	(6)
Russia	63,000	60,000	(6)	(6)
Sweden	1,650	1,700	(6)	(6)
Ukraine	21,000	22,000	(6)	(6)
Other countries	<u>1,020</u>	<u>1,000</u>	<u>4,900,000</u>	<u>150,000,000</u>
World total (rounded)	128,000	125,000	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.

<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 B.

<sup>5</sup>See Appendix C for definitions.

<sup>6</sup>Included with "Other countries."