

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 conterminous United States was \$18 million in 2004. Peat was harvested and processed by about 52 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 leading producing States, in order of quantity harvested. Reed-sedge peat accounted for approximately 86% of the total volume produced, followed by hypnum moss 6%, and humus and sphagnum moss, each with 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.

<u>Salient Statistics—United States:</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004^e</u>
Production	792	736	642	634	607
Commercial sales	847	820	728	632	624
Imports for consumption	786	776	763	767	790
Exports	37	31	32	29	30
Consumption, apparent ²	1,530	1,500	1,420	1,400	1,370
Price, average value, f.o.b. mine, dollars per ton	26.85	25.75	28.85	29.74	29.28
Stocks, producer, yearend	279	257	207	180	175
Employment, mine and plant, number ^e	800	800	750	700	700
Net import reliance ³ as a percentage of apparent consumption	48	47	55	55	56

Recycling: None.

Import Sources (2000-03): Canada, 99%; and other, 1%.

<u>Tariff:</u>	<u>Item</u>	<u>Number</u>	<u>Normal Trade Relations</u>
	Peat	2703.00.0000	<u>12-31-04</u> Free.

Depletion Allowance: 5% (Domestic).

Government Stockpile: None.

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Events, Trends, and Issues: Peat production in the conterminous United States has gradually declined since 2000 owing to the closure of several large peat harvesting operations in 2001-02. Sales and use of domestic peat also have decreased in response to a reduction in the number of greenhouse and nursery crops, weaker economic conditions, lower demand for ornamental plants, and higher imports of greenhouse products. Imports of high-quality sphagnum peat from Canada increased slightly. Imported peat was used in bulk for custom soil mixes and packaged for consumer usage.

Peat is an important component of growing media and the demand for peat generally follows that of horticultural applications. In the United States, the short-term outlook is for steady to slightly lower production and sales, and imports of peat from Canada accounting for a greater percentage of domestic consumption.

World Mine Production, Reserves, and Reserve Base: Reserves and reserve base data have been revised based on information contained in the International Peat Society book on global peat resources. Estimates for countries that reported by volume or area were combined and included with "Other countries."

	Mine production		Reserves⁴	Reserve base⁴
	2003	2004^e		
United States	634	607	100,000	100,000,000
Belarus	2,100	2,100	400,000	4,000,000
Canada	1,340	1,350	4,000,000	400,000,000
Estonia	1,500	1,000	2,000,000	2,000,000
Finland	7,800	8,200	6,000,000	6,000,000
Germany	2,500	2,500	(5)	(5)
Ireland	3,100	3,100	(5)	(5)
Latvia	560	1,000	(5)	(5)
Lithuania	500	500	190,000	300,000
Moldova	475	475	(5)	(5)
Russia	2,100	2,100	12,000,000	180,000,000
Sweden	1,200	1,200	(5)	(5)
Ukraine	1,000	1,100	(5)	(5)
United Kingdom	250	250	(5)	(5)
Other countries	<u>1,000</u>	<u>1,000</u>	<u>1,000,000</u>	<u>1,300,000,000</u>
World total (rounded)	<u>26,100</u>	<u>26,500</u>	<u>26,000,000</u>	<u>2,000,000,000</u>

World Resources: Many countries evaluate peat resources based on volume or area, because the variations in densities and thickness of peat deposits make it difficult to estimate tonnage. Reserve base data were obtained from the International Peat Society publications and included peat deposits located in protected regions, agricultural areas, and forests. Reserves were estimated based on the percentage of peat resources available for harvesting. More than 50% of the U.S. reserve base is contained in peatlands located in undisturbed areas of Alaska.

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.

^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."