

Chairman Jason Smith
House Ways and Means Committee
1139 Longworth House Office Building
Washington, DC 20515

Ranking Member Richard Neal
House Ways and Means Committee
1129 Longworth House Office Building
Washington, DC 20515

February 24, 2025

Dear Chairman Smith and Ranking Member Neal:

We are writing to express our concerns about the potential implementation of a 25% tariff on Canadian goods, specifically Canadian sphagnum peat moss, and the impact these tariffs would have on thousands of US businesses that rely on Canadian sphagnum peat moss. Sphagnum peat moss is an essential input of the horticultural industry, playing an irreplaceable role in food security and ornamental plant production.

Sphagnum peat moss is primarily used as the base for potting soil and growing media. It supports the growth of vegetables, fruits, ornamentals, as well as mushrooms by providing an ideal growing environment. Sphagnum peat moss is an exceptional growing medium and shifting away from peat-based production could increase food production costs by up to 61%, ultimately raising consumer prices and affecting food and plant accessibility. A tariff would also result in a higher cost of production, with price increases passed along to large retailers and consumers. A 2021 economic study estimated that eliminating sphagnum peat moss use would result in a GDP loss of \$17.5 billion across multiple sectors.

The North American sphagnum peat moss industry is predominantly based in Canada, producing approximately 450 million cubic feet annually, with 85% of its production exported to the U.S. This accounts for 96% of American sphagnum peat moss imports. Unlike minerals that can be mined elsewhere, peatlands take centuries to form and cannot be artificially created, these facts make Canada the only reliable peat source. Because the U.S. has limited commercially viable peatlands, imposing tariffs on Canadian sphagnum peat moss would severely impact national food security and economic stability.

The horticultural industry is a vital component of the U.S. economy, with the combined fruit, nut, vegetable, ornamental horticulture, and mushroom industries contributing approximately \$527 billion annually. The proposed tariff on sphagnum peat moss threatens the stability of these essential sectors, adding unnecessary costs and endangering both domestic food production and plant availability. The economic ramifications extend beyond growers, impacting retailers, landscapers, and, ultimately, consumers.

Given these significant concerns, we urge the House Ways and Means Committee to seriously consider the far-reaching implications that a 25% tariff on Canadian goods would have on the American horticultural industry. We request that sphagnum peat moss and peat-based products be excluded from any proposed tariffs or granted a "critical mineral" status, thereby reducing the tariff rate to 10%. Recognizing sphagnum peat moss as a critical resource is essential for maintaining horticultural stability, economic competitiveness, and national food security.

We appreciate your time and consideration of this pressing issue. We would welcome the opportunity to discuss this matter further and provide additional data on the importance of sphagnum peat moss to the U.S. economy. Thank you for your attention and for your continued service to our country.

Sincerely,
AmericanHort
American Mushroom Institute
International Fresh Produce Association
National Association of Landscape Professionals
National Christmas Tree Association