

# An overview of the situation and challenges of the peat industry in Latvia and more

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# Content

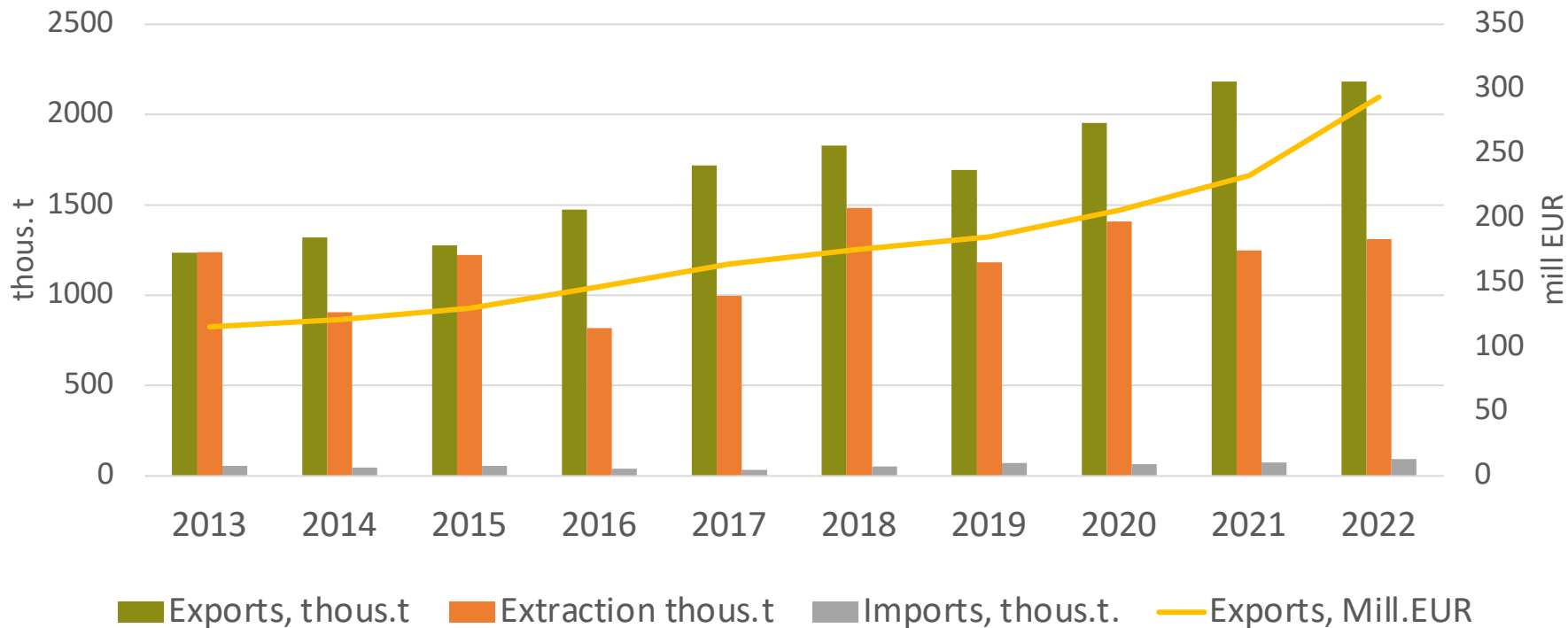
- **Statistics in Latvia and around**
- **Current Situation**
- **Our activities**
- **About and around the climate**
- **Peat extraction season 2023**
- **What we can do**

# Statistics

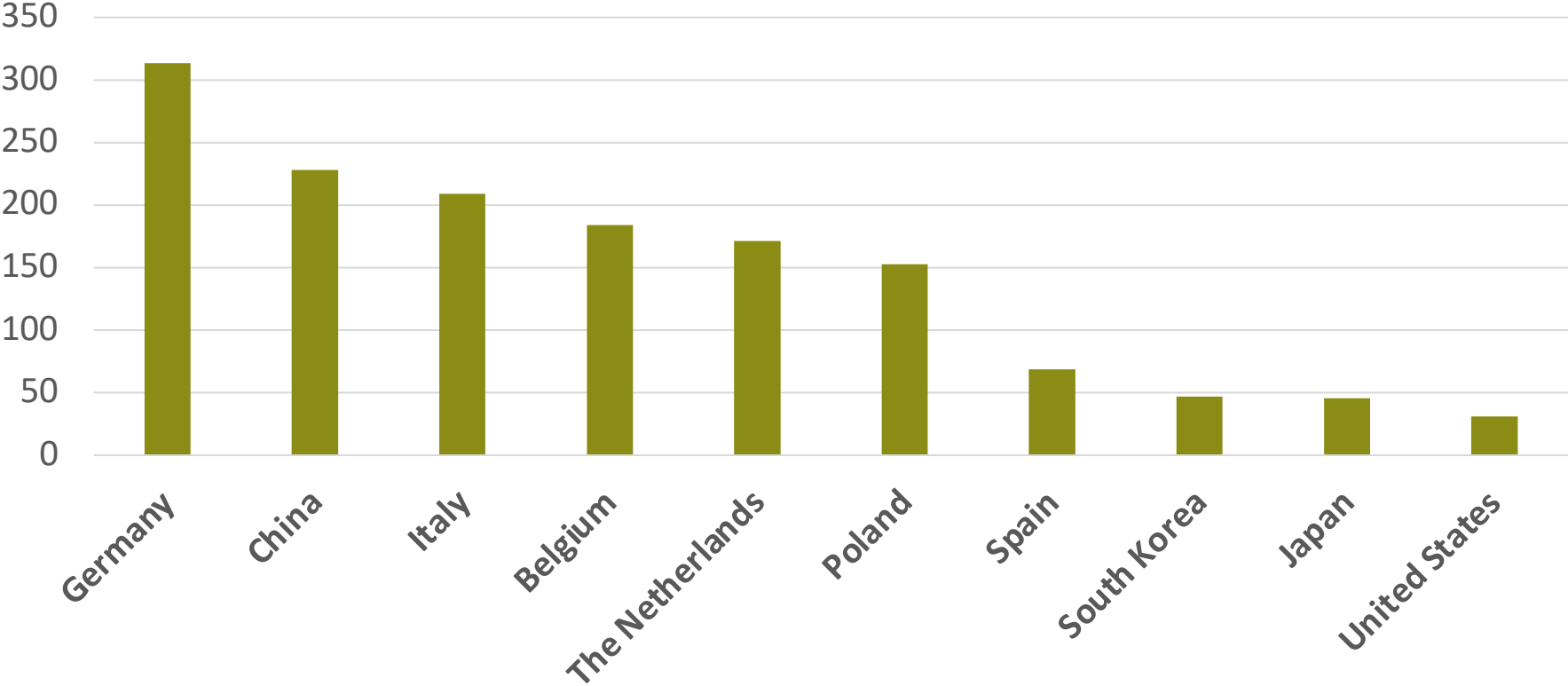


Of Latvia and more

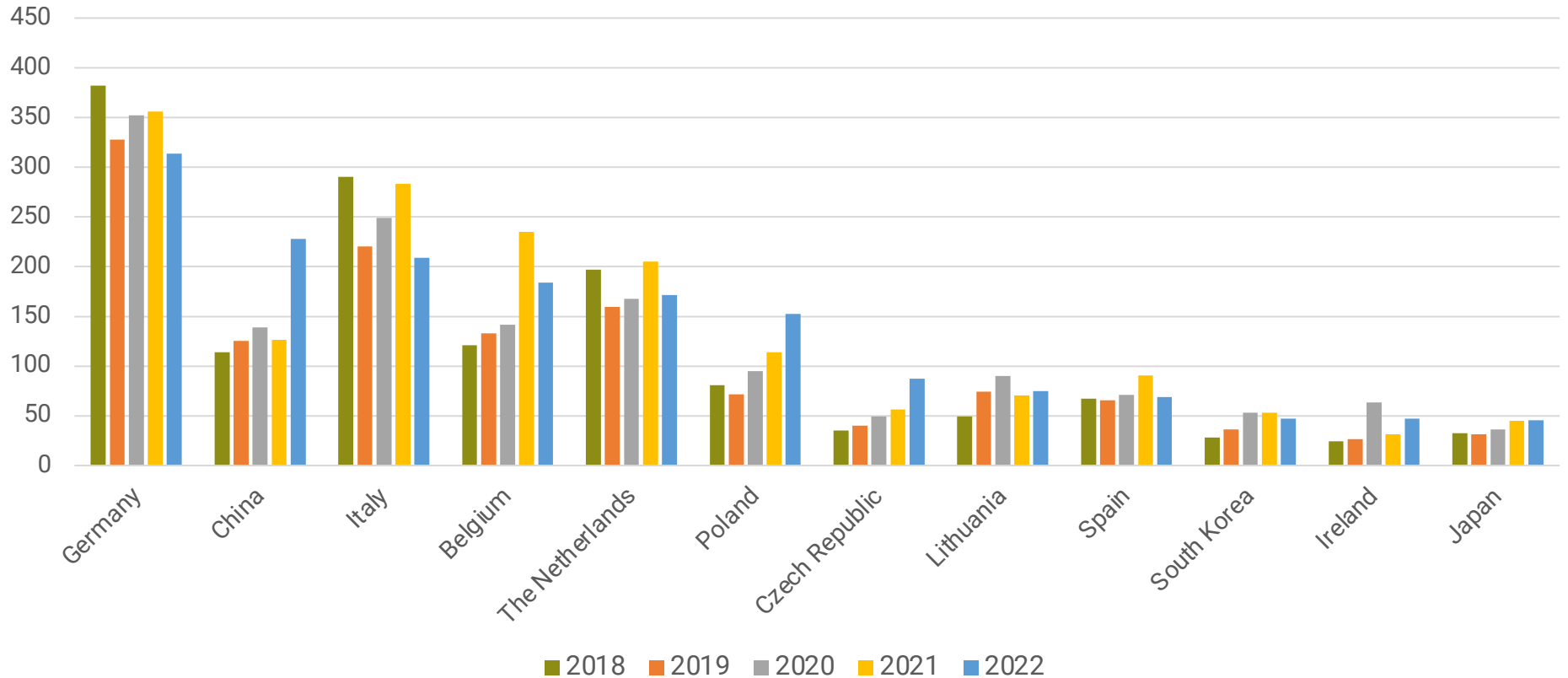
# Peat extraction, export, import thousand tons, export, million EUR 2013 – 2022 LV



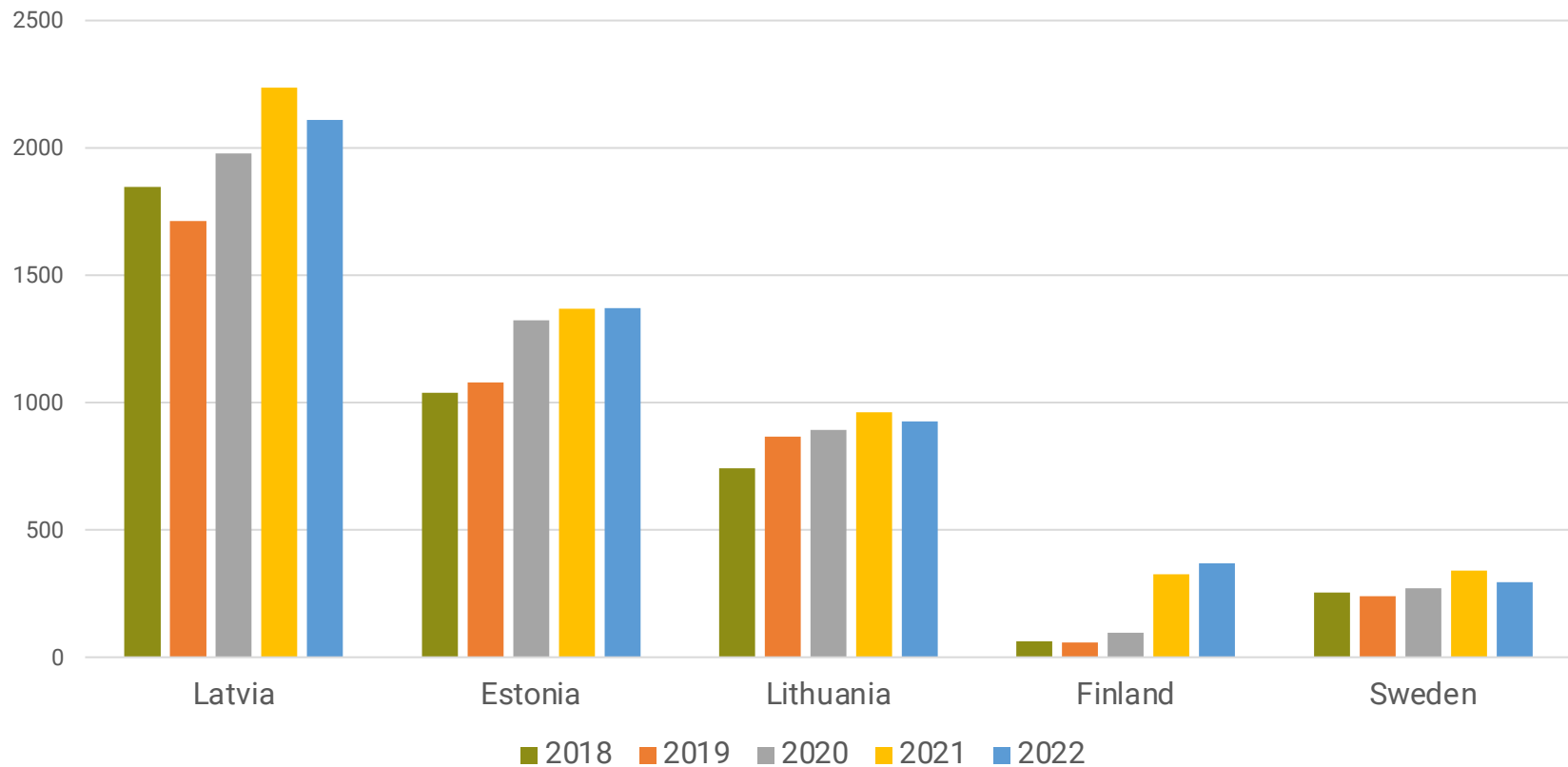
# Peat export from Latvia 2022 TOP10, th.t



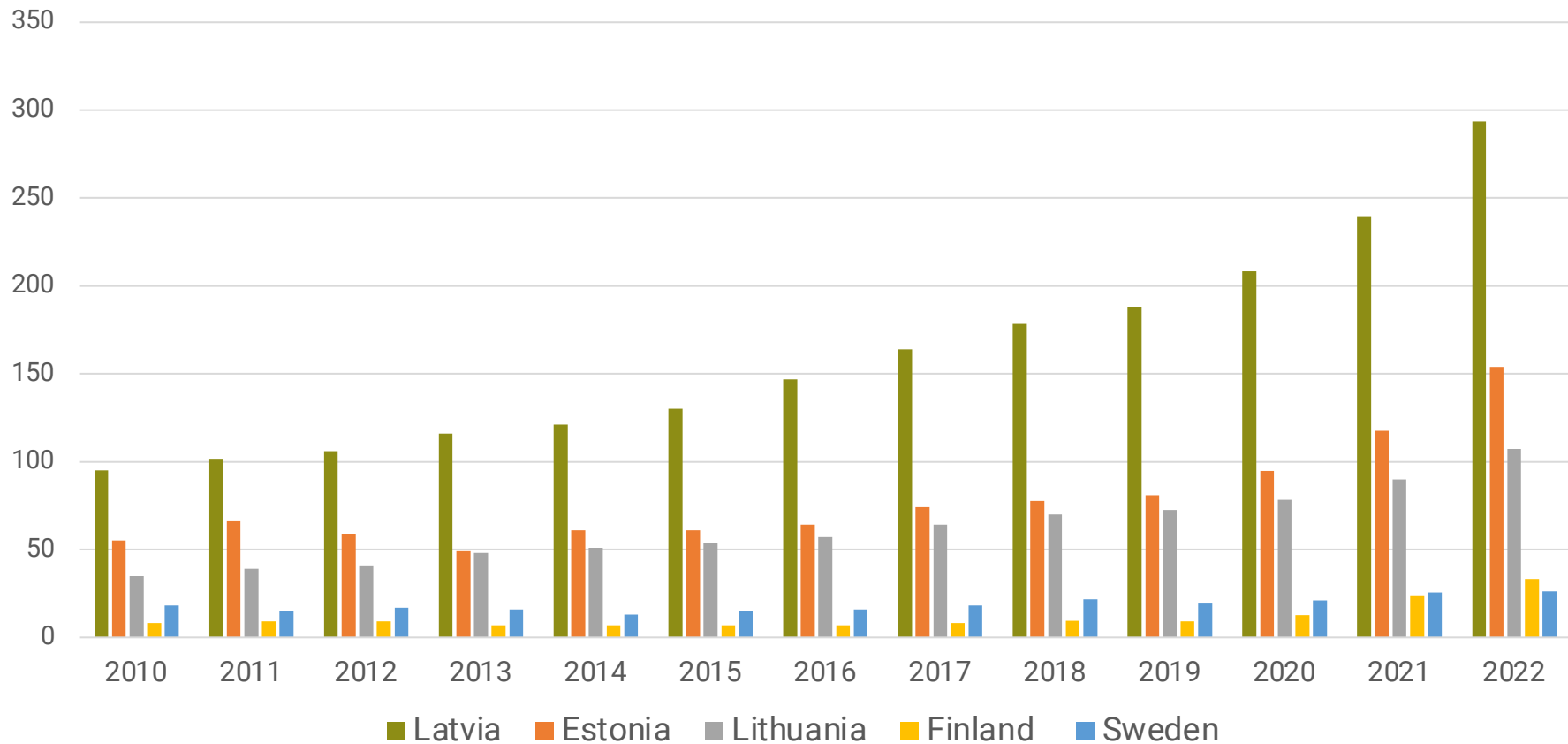
# Peat export from Latvia to the countries of the world 2018 - 2022 TOP 12, thousand tons



# Peat export from LV, EE, LT, FI, SE 2018-2022, thous. t

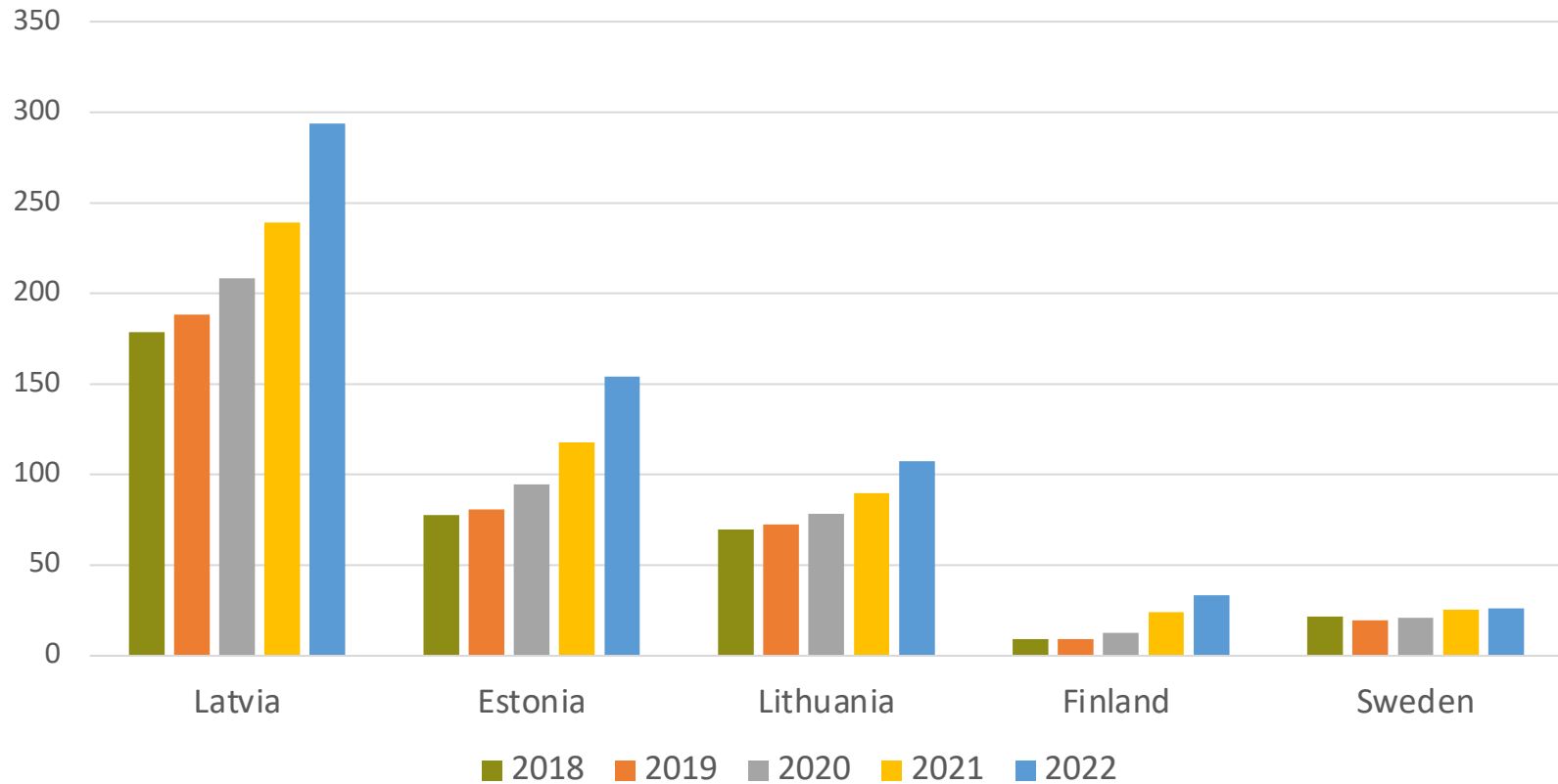


# Peat export LV, EE, LT, FI, SE 2018-2022, mill EUR

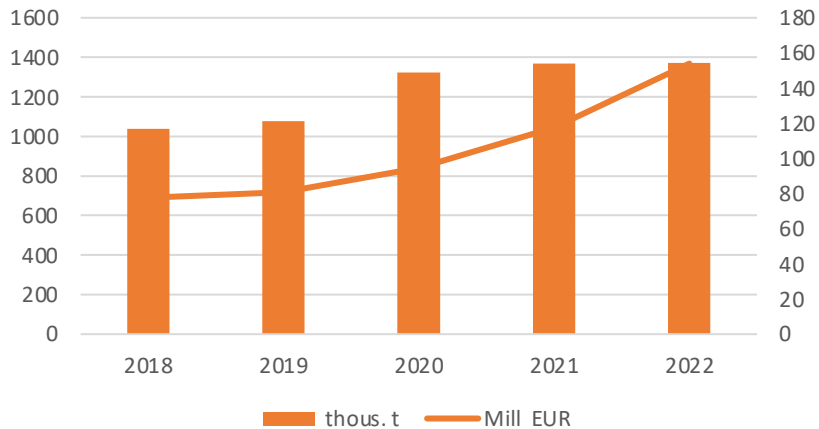




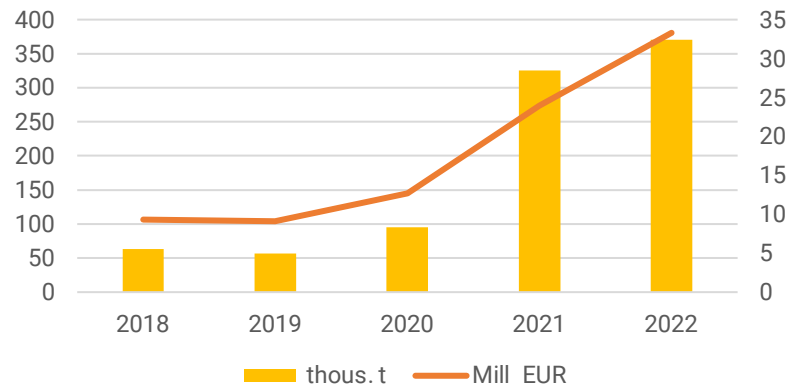
# Peat export 2018-2022, LV, EE, LT, FI, SE, Mill EUR



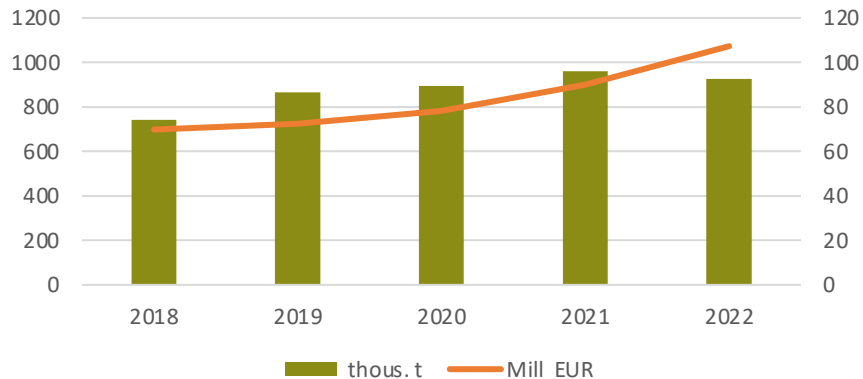
### ESTONIA peat export thous.t, Mill EUR



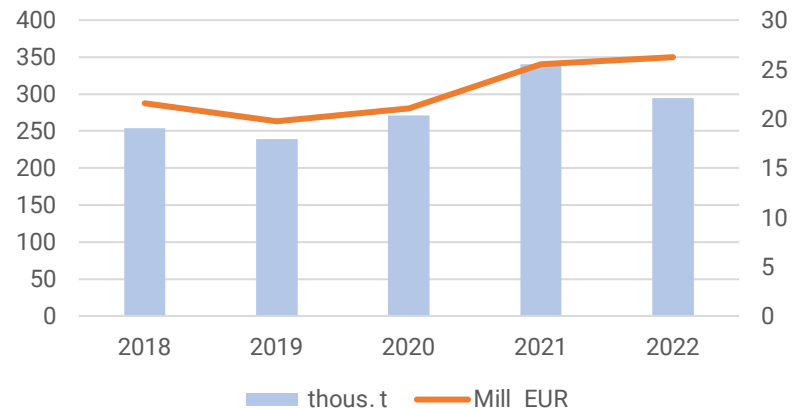
### FINLAND peat export thous.t, Mill EUR



### LITHUANIA peat export thous.t, Mill EUR



### SWEDEN peat export thous.t, Mill EUR





# Current situation



- Regulatory framework
- Socio-political situation
- Logistics
- Financing
- Employment



## **Impact on industry**



# Main topics

## Just Transition Territorial Plan for Latvia

Divided into 2 periods

Each criterion and action must be approved by the European Commission

Total funding for LV 184 mill EUR (for the abandonment of the use of peat in energy, it includes restauration of historical peat extraction sides, replacement of boilers, where peat is used for fuel, for the education and for habitat restoration.) 2025.....

LV promises refuse the use of peat for energy from 2030

## EU Taxonomy and Delegated acts

Banks have no initiative to issue loans for the development of production of peat products.

## Amendments to national regulations

Law “On Subterranean Depths”, Regulation of Peat Extraction, Revision of land lease regulations of a public entity

## Development of a new methodology for the rent of peat extraction areas

The largest lessor of Latvian state peat extraction areas is creating a new methodology for rent.



# Main topics

## Nature Restoration Law – draft

- Internal disagreements
- Unfortunately, Latvia voted for....
- Will the proposed flexibility be implemented for member states?
- What will be the end result?
- How much will the “green movement” affect it?

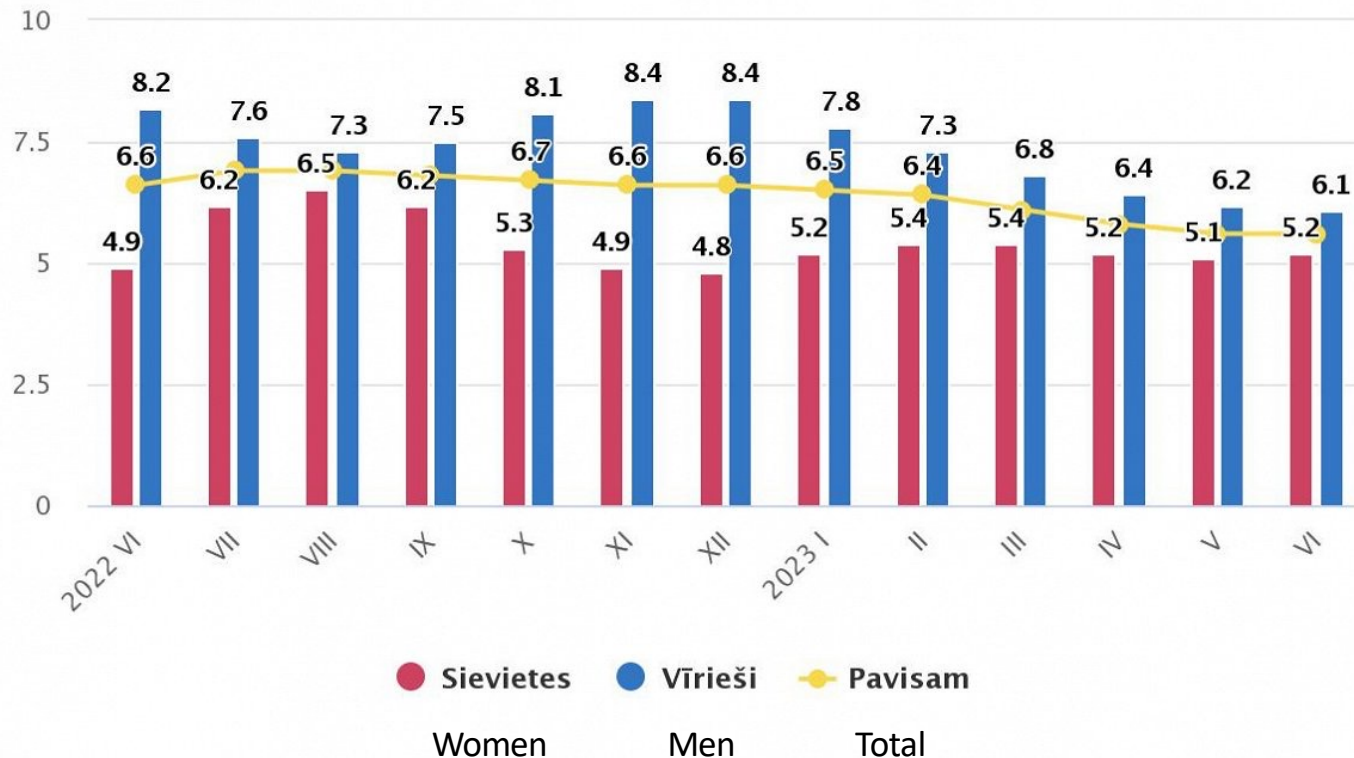
## Soil Monitoring Law

- Additional duties and obligations

## Biodiversity strategy for 2030

- At least 30% of the land and 30% of the sea should be protected in the EU
- Strictly protect at least a 10% of the EU

# Actual unemployment rate by month



**The reclamation process is ongoing**





- 
- Meetings with Latvian attachés in Brussels
  - Regular cooperation with the Ministry of Environment and Regional Affairs, the Ministry of Agriculture, the Ministry of Economics, the Ministry of Finance
  - Cooperation with related organizations
  - Peat Alliance, Growing Media Europe

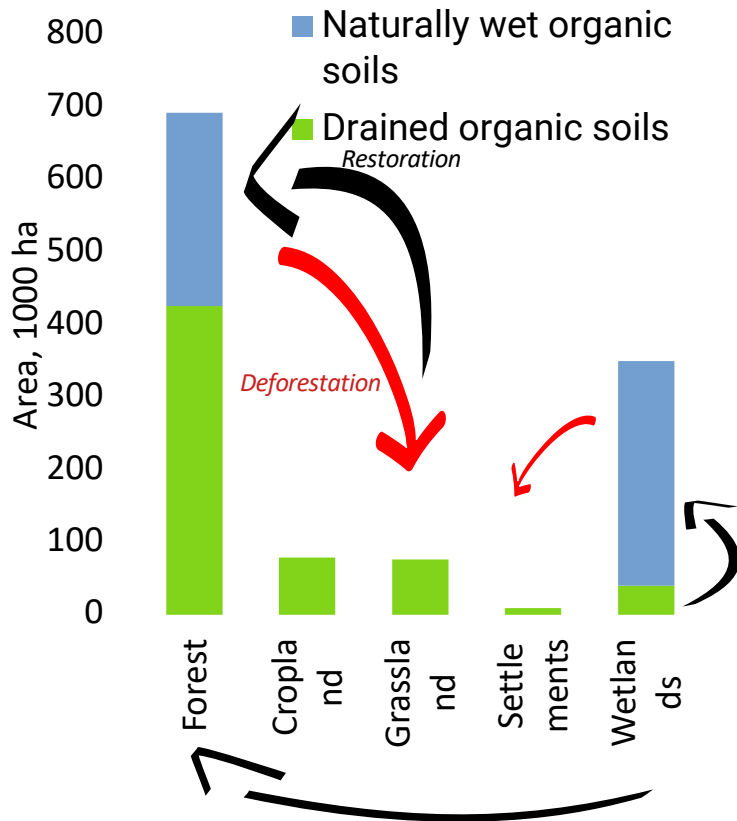
# Our activities



# About and around the climate



# Distribution of organic soils in Latvia and areas used for peat extraction

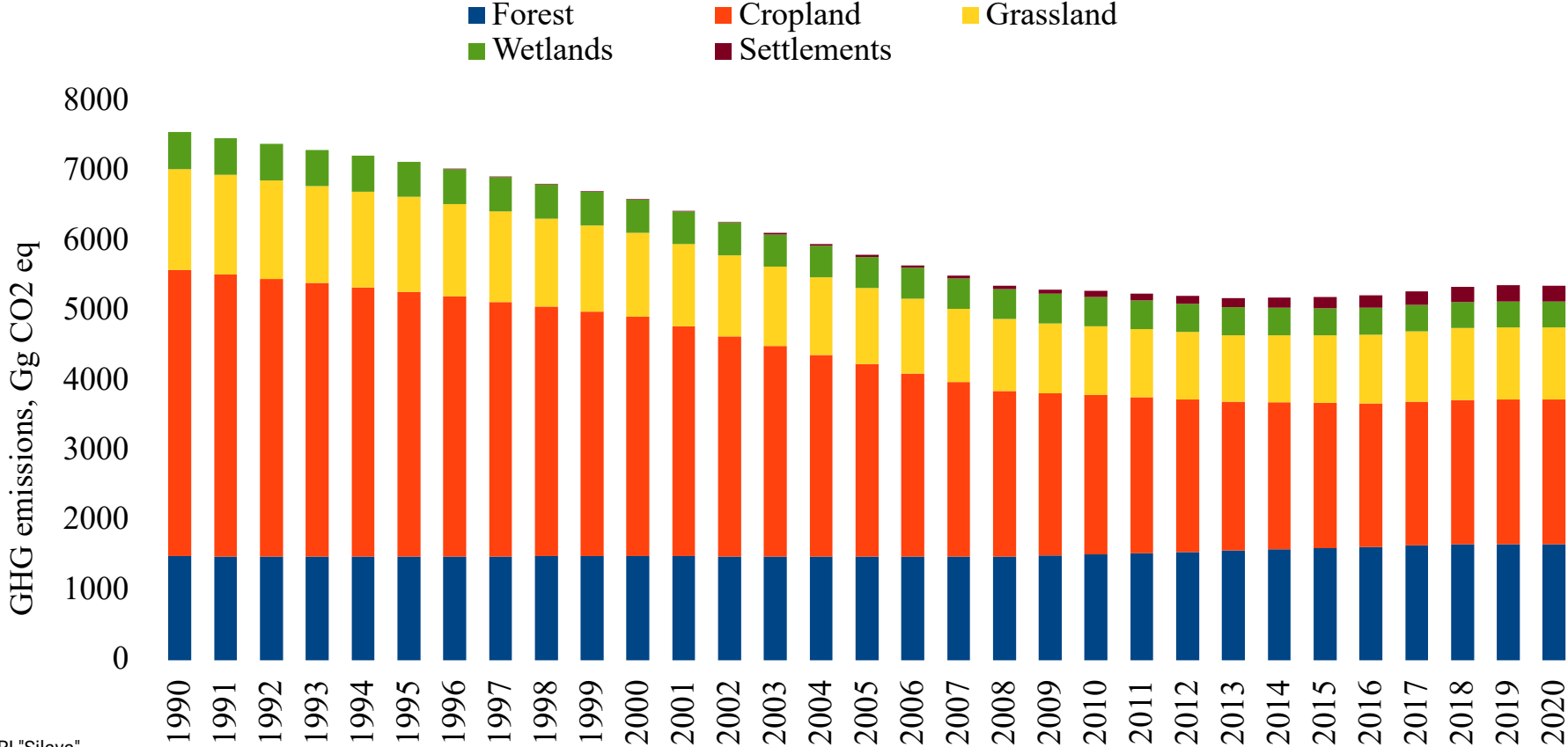


- Total area of organic soils 1.2 mill. ha (19% of the country area).
- Drained organic soils – 0.63 mill. ha (52% of the area of organic soils).
- Forests – 0.69 mill. ha (57% of the area of organic soils).
- Peat extraction takes place in 3% of the area of organic soils.

## Reported land use categories in managed wetlands

- **Peat extraction fields**, including ditches (*5% of the total area of peat extraction fields*) and areas where peat extraction was carried out in the past, but no visible change of land use is observed.
- **Rewetted areas** where peat extraction has been stopped, vegetation cover has been formed, but does not meet the definition of a forest stand, and periodic flooding has been observed in orthophoto images.
- **Flooded areas** where permanent flooding has been observed in orthophoto images.
- Assumptions:
  - all areas conforms to the criteria of organic soils;
  - emission factors for peat extraction fields are applied to all areas accounted as peat extraction areas;
  - instant oxidation methods are used for peat used in agriculture;
  - the accounting methods of peat emissions used in agriculture and energy are not synchronized, so both types of peat use are not comparable.

# Reported GHG emissions from organic soils



# Categories of emissions not included in accounting

- Wetlands not directly affected by economic activities (*swamps according to the definition of a forest stand in the Forest Law*).
- **Natural water bodies.**
- GHG emissions from **naturally wet mineral and organic soils in forests.**
- **Managed (*restored for biodiversity purposes*) wetlands** where economic activity has not been carried out (*restoration is socio-economic activity, changing the environment to achieve certain goals*).
- **Artificial water reservoirs** (*ponds, flooded quarries, reservoirs of hydroelectric power plants*).
- **Artificial wetlands** (*for wastewater and rainwater treatment*).
- **Ditches in drained mineral soils** (*does not belong to the category of wetlands*).

# Organic soils related measures proposed in the Climate Neutrality plan for Latvia

- **Afforestation of organic soils in farmlands** (target area – 80 kha). The most efficient and needed measure in Latvia. Planting of spruce would reduce GHG emissions by about 1600 tons CO<sub>2</sub> eq ha<sup>-1</sup> during 120 years period. The effect is continuous and long lasting.
- **Rewetting and support to natural afforestation of organic soils in farmlands** (target area – 80 kha, *political compromise to implement requirements of nature restoration regulation proposal*). Afforestation with birch or black alder would reduce GHG emissions by about 250 tons CO<sub>2</sub> eq ha<sup>-1</sup> during 120 years period. The effect is continuous, but can be significantly affected by natural disturbances.
- **Rewetting and support to natural afforestation of former peat extraction sites** (target area – 12 kha, *another political compromise*). Afforestation with birch or black alder would reduce GHG emissions by about 250 tons CO<sub>2</sub> eq ha<sup>-1</sup> during 120 years period. The effect can be significantly affected by natural disturbances.
- **Utilization of wood ash in forest with organic soils** (target area – up to 5 kha per year). The effect of a single application – about 18 tons CO<sub>2</sub> ha<sup>-1</sup> during 5-7 years period.

# Summary of our challenges to reach climate change mitigation targets

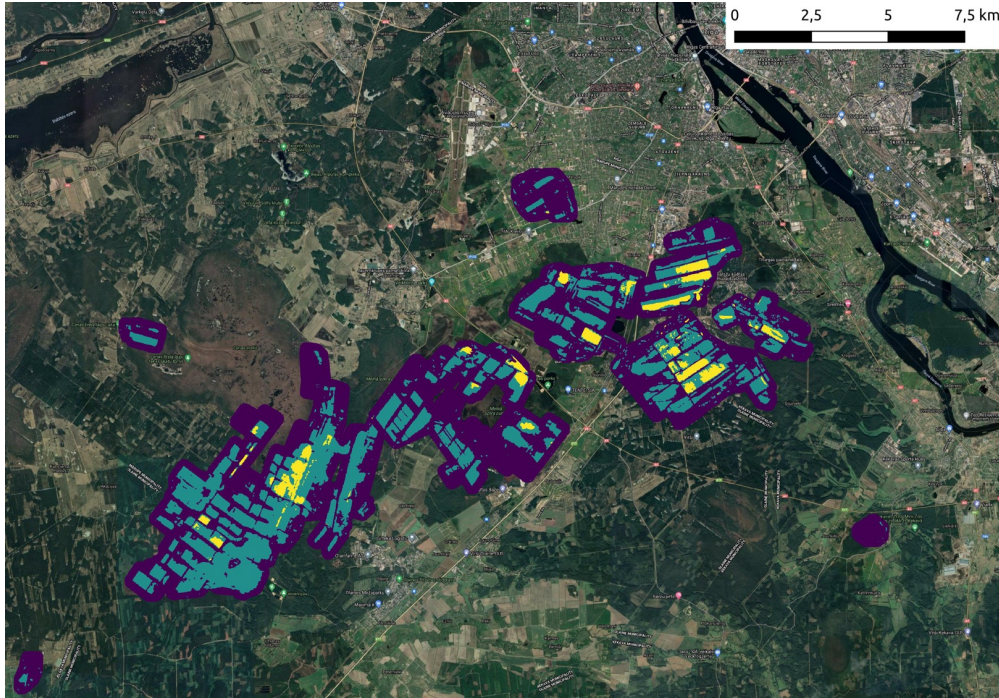
- Climate change mitigation targets for Latvia in LULUCF sector are very ambitious and can't be reached without real actions.
- Organic soils is the largest source of GHG emissions in Latvia, but they are also a key to reach climate change mitigation targets in 2030 and 2050.
- Nature restoration regulation, taxonomy and other restrictive EC initiatives prohibits implementation of the mitigation measures proposing measures leading to increase of emissions.
- Lack of political willingness to move towards implementation of climate change mitigation measures, particularly by afforestation of organic soils.
- GHG estimates and activity data in organic soils at EU level are very uncertain leaving space for speculations on efficiency of different measures.
- Development of GHG accounting methodologies and substantiation of the measures is suffering from chronic shortage of resources if they are not following to requirements of political correctness.



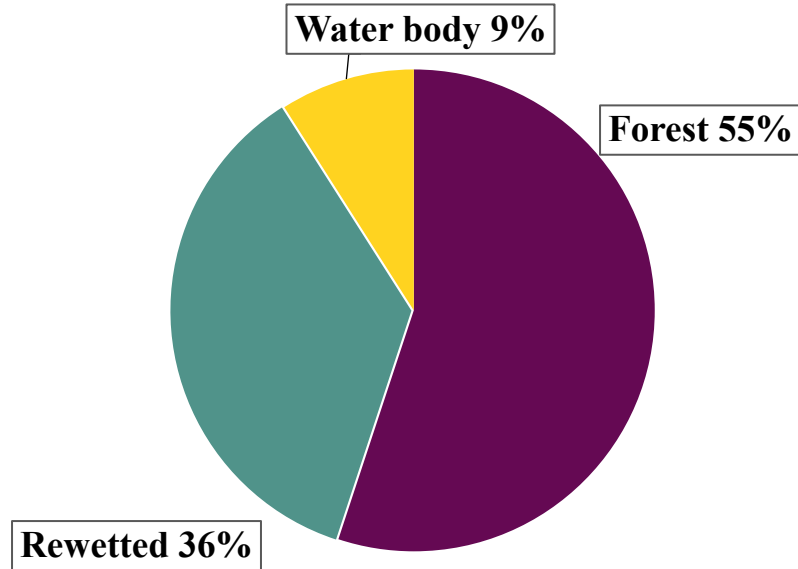
# Reduction of GHG emissions after rewetting

Still there are no studies demonstrating or promising reduction of GHG emissions after rewetting or flooding of organic soils in Latvia, except reforestation of wetlands before rewetting.

# Rewetting effect on water regime



Modelling of the situation after the closure of the amelioration systems



## Potential land use after rewetting:

- 1) groundwater level during vegetation season below 20 cm (potentially afforested area);
- 2) groundwater level during vegetation season 0-20 cm (potentially rewetted area);
- 3) groundwater level above ground level during vegetation season (flooded area).



# Peat extraction season 2023





## Rainfall May - July 2023

**May 12,2 mm = 76 % below the norm (50.4 mm)**

**June 23,4 mm = 67 % below the norm (70,1 mm)**

**July 70,6 mm = 7 % below the norm (75,7 mm)**



# The average temperature May - July 2023

**MAY = 11,3 C°**



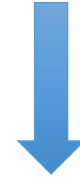
0,1 C°  
below

**JUNE = 16,6 C°**

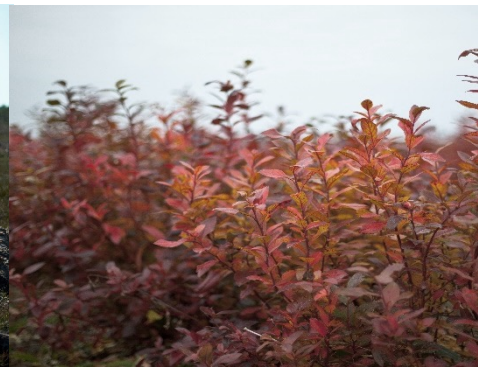


1,4 C°  
above

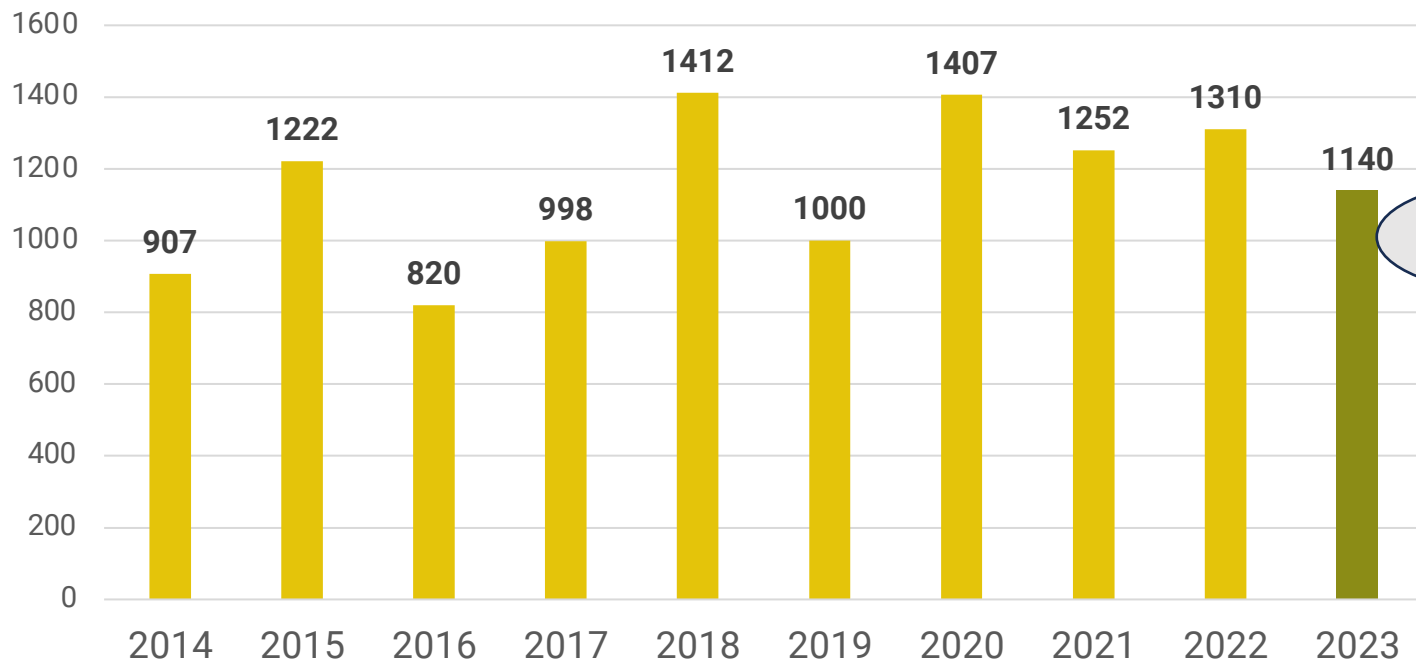
**JULY = 16,8 C°**



1,0 C°  
below



# Peat extraction 2014 – 2023 th t



CSB



# What we can do .... still the same

- Proactive action - explanation
- Cooperation in different studies and encourage research
- Communication between the organizations (Associations, GME, PA, IPS)
- To educate greenery officials – peat is used for growing media (food, forest, ornamental)
- Peat is part of the circular economy (growing media – improve soil, zero waste )
- To compare peat based growing media with other growing media





# Baltic Peat Producers Forum 2023

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Latvijas Kūdras  
asociācija