

# Meat and Dairy: taxes & fair pricing of CO<sub>2</sub>

## The need for global reduction plans



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COP25 Madrid, 9th December 2019

Foundation TAPP Coalition



**True Animal Protein  
Price Coalition**

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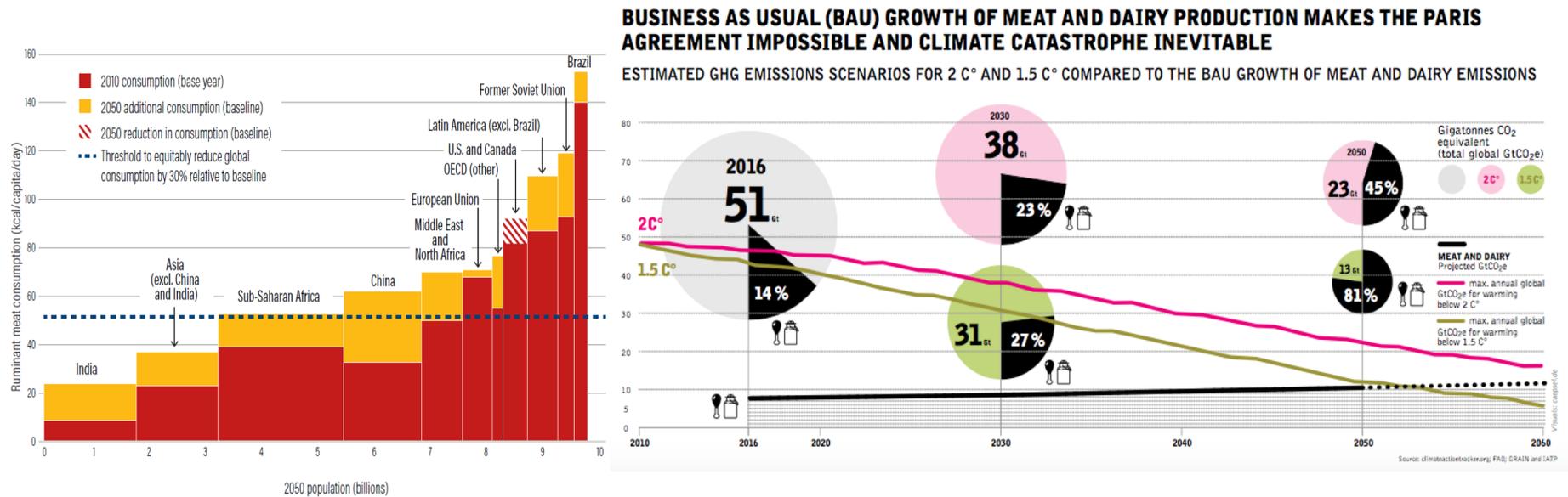
#co2pricingmeat

#co2pricingdairy



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# Why pricing meat & dairy and global CO2 reduction plans for meat & dairy sectors ?



**Animal farming: 14,5% greenhouse gasses, 30-60% biodiversity loss, health (overconsumption)**

# Solution 1: global CO2eq reduction plans for meat and dairy sectors

CO2 eq emissions are growing annually 2% meat & dairy sector  
UN Food & Agri Agreement needed for reducing 7,5 Gton CO2 emission

Climate neutral growth 2021-2025 compared to emissions in 2018  
(comparable with aviation sector, including reduction, trade, compensation)

- |                        |                    |
|------------------------|--------------------|
| • OECD countries       | non-OECD countries |
| • - 20% reduction 2030 | -10%               |
| • - 40% reduction 2040 | -20%               |
| • - 60% reduction 2050 | -30%               |



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# Solution 2: fair pricing food – meat and dairy including environmental costs - 50% for farmers



- ✓ For farmers
- ✓ Environment, climate, nature
- ✓ Animal welfare
- ✓ Health
- ✓ Low income households

# Solution 3: EU food policies

<https://tappcoalition.eu/policy-proposals>

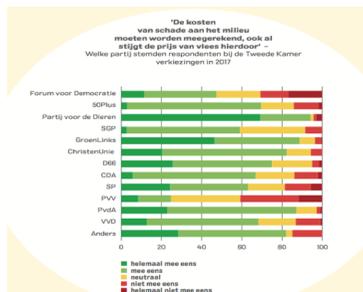
- 1) EU Directive on the Promotion of the use of plant based proteins in food.
- 2) EU Directive Reduction food related greenhouse gasses (“Supermarket directive”).
- 3) EU facilitation to introduce true pricing mechanisms for animal protein products
- 4) EU Directive on agriculture based greenhouse gasses within ETS Emission Trade
- 5) Reducing EU subsidies for food products with the 50% highest climate footprint.
- 6) A global system\* for reducing greenhouse gas emissions from meat and dairy sectors

\* Define an emission cap, with climate neutral growth in 2021-2025 and 1-2% reduction per year of emissions in 2025-2050.

# 68% Dutch population prepared to pay extra for meat, including environmental and CO2-costs

If...

- Vegetables and fruits prices go down
- Sustainable farmers get paid better
- Low income households compensated



# Meat tax & lower VAT on vegetables & fruits:

support from > 40 Dutch professors, economists, CEO's

| Naam   | Onderwerp, instelling  |
|--|--|
| <b>Prof. Dr. Jacqueline Cramer</b>             | Duurzame innovatie, ondernemen, Universiteit Utrecht; Oud minister VROM 2007-2010  |
| <b>Dr. Jan Terlouw</b>                         | Duurzame economie, Natuurkundige, politicus (D66, oud-minister Economische Zaken), auteur  |
| <b>Prof. Dr. Peter Kooreman</b>                | Gezondheids economie, Tilburg University   |
| <b>Prof. Pier Vellinga</b>                     | Klimaat, VU  |
| <b>Prof. (em). Arnold Heertje</b>              | Economie, Universiteit van Amsterdam   |
| <b>Prof. Dr. Daan Van Soest</b>                | Milieu-economie, Tilburg University  |
| <b>Prof (em): Gees Withagen</b>                | Milieu-economie, VU  |
| <b>Dr. Sander Biesbroek</b>                    | Onderzoeker Voeding en Duurzaamheid, afdeling Humane Voeding en Gezondheid, Wageningen Universiteit                                |
| <b>Prof. Jeroen van den Bergh</b>              | Economie, VU   |
| <b>Prof. Rick van der Ploeg</b>                | Economie, VU   |
| <b>Mr. Herman Mulder</b>                       | True Pricing, Diverse functies   |
| <b>Prof. Mr. Willem Brull</b>                  | Agrarisch recht, Rijksuniversiteit Groningen, Bijzonder hogeschool agrarisch recht   |
| <b>Drs. Cees van de Guchte</b>                 | Waterbeheer, Directeur Deltares, Global Agendas & International Organisations  |
| <b>Prof. Arjo Klamer</b>                       | Economie   |
| <b>Prof. Dr. Hans Vedder</b>                   | Economic Law, RUG  |
| <b>Dr. Mark Sanders</b>                        | Economics of Transition and Sustainability, Universiteit Utrecht, Utrecht School of Economics                                      |
| <b>Prof. Karien Stronks</b>                    | Public Health, Amsterdam UMC, locatie AMC  |
| <b>Dr. Wilma Waterlander</b>                   | Public Health, Amsterdam UMC, locatie AMC, Public Health   |
| <b>Drs. Karine van 't Land</b>                 | Public Health, Amsterdam UMC, Public Health  |
| <b>Drs. Tamara De Weijer</b>                   | Arts , voorzitter Vereniging Arts en Leefstijl   |
| <b>Prof. Dr. Jessica Kieft-de Jong</b>         | Population Health with emphasis on lifestyle , LUMC (Department of Public Health and Primary Care/LUMC Campus Den Haag)            |
| <b>Drs. Nupur Kohli</b>                        | Arts en adviseur gezondheidszorg , G10a Shaper, World Economic Forum, Adviesraad Landelijke Vereniging van Artsen in Dienstverband |
| <b>Dr. RS Kuipers, MD PharmD Remko Kuipers</b> | Cardiologie, farmacologie, (persoonlijke titel)  |
| <b>Prof. Ingeborg Brouwer</b>                  | Voeding en gezondheid, VU Amsterdam, Gezondheidswetenschappen  |
| <b>MsC Lotte van den Bosch</b>                 | Voeding, klimaat, milieu, TAPP Coalitie beleidsmedewerker  |
| <b>Ir. Jeroom Remmers</b>                      | Voeding, klimaat, milieu, TAPP Coalitie directeur  |
| <b>Drs. Rens van Tilburg</b>                   | Sustainable Finance, Universiteit Utrecht, Faculteit Recht, Economie en Bestuur  |
| <b>Drs. Volkert Engelsman</b>                  | Duurzaam ondernemen , CEO Eosta  |
| <b>Drs. Maurits Groen</b>                      | Duurzaam ondernemen , CEO MGMC   |
| <b>Ruud Kooistra</b>                           | Duurzaam ondernemen , Nationaal Energiecommissaris   |
| <b>MsC Willem Blom</b>                         | Impact investment & Internet ondernemen, CEO Plantbase   |
| <b>Drs. Thomas Peutz</b>                       | Klimaat , Bestuurslid Climate Outreach en initiatiefnemer Klimaatfel Sociëteit de Witte  |
| <b>Drs. Peter Haring</b>                       | Gezondheids economie, Unilever   |
| <b>Urgenda</b>                                 | Klimaat  |
| <b>Ir. Ruud Tjssens Willem Lageweg</b>         | Voeding , directeur Transitie Coalitie Voedsel   |
| <b>Prof. Ekko van Ierland</b>                  | Milieu-economie, Universiteit Wageningen, Milieu-economie en Natuurlijke hulpbronnen   |
| <b>Prof. Irene van Staveren</b>                | Pluralist Development Economics, Achternaam : Feskens  |
| <b>Prof. Dr. Dirk Schoenmaker</b>              | Finance and Accounting, Erasmus Universiteit, Professor of Banking and Finance at the Rotterdam School of Management (RSM)         |
| <b>Prof. Dr. Dirk Dirk Bezenier</b>            | Economie en Bedrijfskunde, Rijksuniversiteit Groningen, Economie en Bedrijfskunde  |
| <b>Bob Hutten</b>                              | Voeding , Directeur Cateringbedrijf Hutten   |
| <b>MsC Donald Pols</b>                         | Klimaat , Milieudefensie, directeur  |
| <b>Mr. Ruben van Zwieten</b>                   | Geloof en verantwoord ondernemen, Predikant/ondernemer/ Zingeving Zuidas   |
| <b>Drs. Marleen Janssen Groesbeek</b>          | Sustainable Finance, Avans Hogeschool, Sustainable Finance and Accounting  |

The screenshot shows a website page with a blue header containing navigation links: Home, ESB, Kort, Blog, Mijn ESB, Word lid, Meer. A search bar and a 'Lid worden' button are also visible. The main content area features the article title in large, bold black text. Below the title is a short summary in Dutch. To the right of the article text, there is a sidebar titled 'Artikelen van deze auteur(s)' listing other articles with their dates. At the bottom of the article text, there are two expandable sections: 'Ondertekenaars' and 'Bijlage met tabellen'.



Support by many ngo's including Greenpeace, Oxfam

**EEN DAG PER WEEK MINDER VLEES**  
Mogelijke besparing voor 2020: 0,5 Mton CO<sub>2</sub>

**True Animal Protein Price Coalition:**

**PUNT 011 40 PUNTENPLAN**  
NAAR 26% CO<sub>2</sub> REDUCTIE IN 2020

#Hetkanalsjehetwilt

**TAPPC**  
True Animal Protein  
Price Coalitie

## Tariff fair meat prices 2021-2030 (in eurocent per 100 gram)

TAPP Coalition proposal – accepted by Dutch government for study new fiscal system

| Year   | Chicken | Pork  | Beef/veal | Increase (average) |
|--|---------|-------|-----------|--------------------|
| 2021   | 9,5     | 21,3  | 26,9      | 16 eurocent        |
| 2025   | 13,9    | 30,9  | 38,9      |                    |
| 2030   | 20,4    | 45    | 57        | 34 eurocent        |
| Annual price increase in eurocent/100 gram after 2021    | 1,1     | 2,4   | 3         |                    |
| Supermarketprice in 2018 in eurocent/100 gram (CE, 2018) | 70      | 77,5  | 121,7     |                    |
| Price increase 2021 - 2018                               | 13,6%   | 27,5% | 22,1%     | 19%                |
| Price increase 2030 - 2018                               | 29,1%   | 58,1% | 46,8%     | 41%                |

## Use of revenues meat tax (in mln € per year)

|             | Sustainable agriculture subsidies | VAT reduction 9% to 5% for vegetables, fruits, plant based meat | Compensation low income households (health care premium: 120 euro per person/year) | Compensation for meat industry etc. | State revenues per year |
|-------------|-----------------------------------|---|--|-------------------------------------|-------------------------|
| <b>2021</b> | 600                               | 280   | 270  | 26                                  | 1.176                   |
| <b>2025</b> | 500                               | 290   | 470  | 6                                   | 1.266                   |
| <b>2030</b> | 450                               | 300   | 600  | 6                                   | 1.356                   |

# 600 mln euro / year subsidy sustainable agriculture

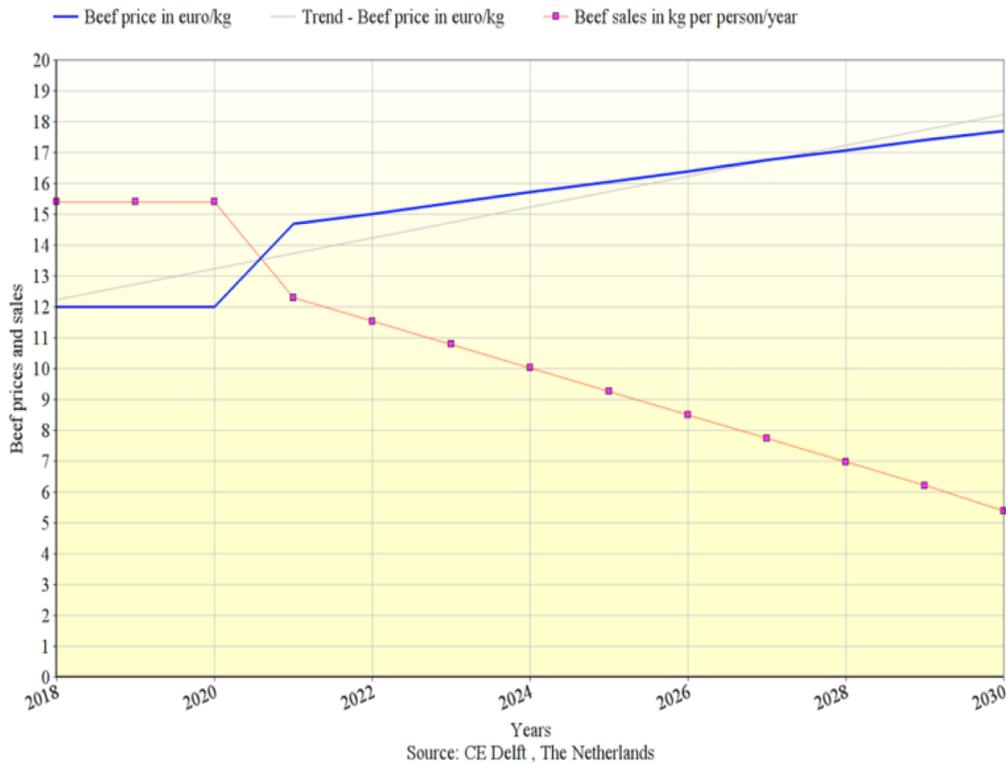
|                     | Subsidies 2021-2030 | %   |
|---------------------|---------------------|-----|
| Animal welfare      | 201,5               | 34  |
| Environment/climate | 306,6               | 51  |
| Nature              | 92                  | 15  |
| Total               | 600 mln             | 100 |

## Average annual subsidy for sustainability at farms

|                      | Nr. of Dutch farms | Payment € per farm/ year (average) |
|----------------------|--------------------|------------------------------------|
| <b>Pig farms</b>     | 3.500              | 29.428                             |
| <b>Poultry farms</b> | 1.030              | 71.844                             |
| <b>Dairy farms</b>   | 17.000             | 18.941                             |
| <b>Arable farms</b>  | 10.844             | 7.285                              |

# Result fair meat price on consumption

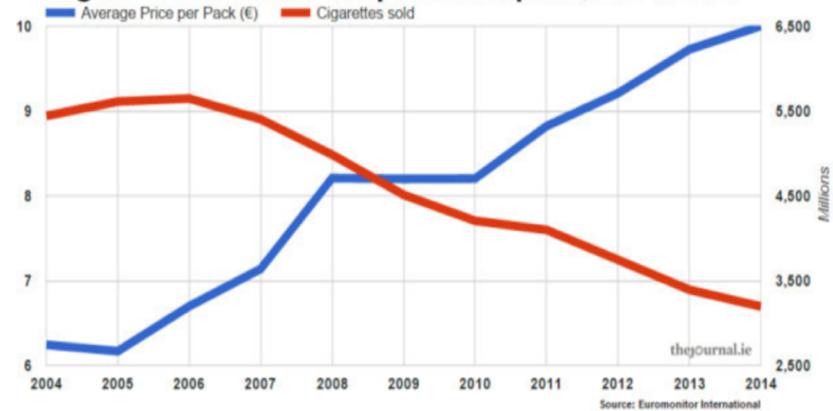
Beef prices and sales Netherlands (2015-2030), effect ecotax on meat starting 2021



## 50% reduction meat in 2030

Comparable with tobacco taxation in EU-countries

Cigarette sales and the price of a pack, 2004-2014



# Impact

- 4,2 Mton CO<sub>2</sub> eq. reduction 2030 (2,7 Mton in Netherlands)
- 2-3 Mton CO<sub>2</sub> eq. reduction agriculture subsidies
- More CO<sub>2</sub> reduction compared to housing without fossil fuels
- 1 billion euro/year less healthcare costs
- 800 mln euro /year net welfare profit
- - 107 mln chicken and 4 mln pigs less slaughtered per year
- 4.000 km<sup>2</sup> arable land saved (22% agricultural surface)

## Impact EU meat taxes (40% price increase 2030)

47,7 eurocent per 100 gram beef/ veal

36,1 eurocent per 100 gram pork

17,3 eurocent per 100 gram chicken meat

- 119 Mton CO<sub>2</sub> eq. reduction in 2030
- More CO2 reduction compared to housing without fossil fuels
- Billions of euro/year less healthcare costs
- € 8,8 billion/year net welfare profit in 2030
- EU member states revenue € 32,2 billion per year in 2030

# Questions ?

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“Towards fair pricing food together”

