Meat and Dairy: taxes & fair pricing of CO$_2$
The need for global reduction plans

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Do you twitter?

hashtags:

#co2pricingmeat
#co2pricingdairy
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
  - - 20% reduction 2030
  - - 40% reduction 2040
  - - 60% reduction 2050

- non-OECD countries
  - -10%
  - -20%
  - -30%
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
Support by many ngo’s including Greenpeace, Oxfam
<table>
<thead>
<tr>
<th>Year</th>
<th>Chicken</th>
<th>Pork</th>
<th>Beef/veal</th>
<th>Increase (average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>9,5</td>
<td>21,3</td>
<td>26,9</td>
<td>16 eurocent</td>
</tr>
<tr>
<td>2025</td>
<td>13,9</td>
<td>30,9</td>
<td>38,9</td>
<td></td>
</tr>
<tr>
<td>2030</td>
<td>20,4</td>
<td>45</td>
<td>57</td>
<td>34 eurocent</td>
</tr>
<tr>
<td>Annual price increase in eurocent/100 gram after 2021</td>
<td>1,1</td>
<td>2,4</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Supermarketprice in 2018 in eurocent/100 gram (CE, 2018)</td>
<td>70</td>
<td>77,5</td>
<td>121,7</td>
<td></td>
</tr>
<tr>
<td>Price increase 2021 - 2018</td>
<td>13,6%</td>
<td>27,5%</td>
<td>22,1%</td>
<td>19%</td>
</tr>
<tr>
<td>Price increase 2030 - 2018</td>
<td>29,1%</td>
<td>58,1%</td>
<td>46,8%</td>
<td>41%</td>
</tr>
</tbody>
</table>
## Use of revenues meat tax (in mln € per year)

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

<table>
<thead>
<tr>
<th></th>
<th>Subsidies 2021-2030</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Animal welfare</strong></td>
<td>201,5</td>
<td>34</td>
</tr>
<tr>
<td><strong>Environment/climate</strong></td>
<td>306,6</td>
<td>51</td>
</tr>
<tr>
<td><strong>Nature</strong></td>
<td>92</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>600 mln</td>
<td>100</td>
</tr>
</tbody>
</table>
Average annual subsidy for sustainability at farms

<table>
<thead>
<tr>
<th></th>
<th>Nr. of Dutch farms</th>
<th>Payment € per farm/ year (average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pig farms</td>
<td>3.500</td>
<td>29.428</td>
</tr>
<tr>
<td>Poultry farms</td>
<td>1.030</td>
<td>71.844</td>
</tr>
<tr>
<td>Dairy farms</td>
<td>17.000</td>
<td>18.941</td>
</tr>
<tr>
<td>Arable farms</td>
<td>10.844</td>
<td>7.285</td>
</tr>
</tbody>
</table>
Result fair meat price on consumption

50% reduction meat in 2030

Comparable with tobacco taxation in EU-countries
Impact

• 4,2 Mton CO$_2$ eq. reduction 2030 (2,7 Mton in Netherlands)
• 2-3 Mton CO$_2$ eq. reduction agriculture subsidies
• More CO2 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$^2$ 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$_2$ 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”