

# FORTUNE

ENVIRONMENTCONSUMPTION TAX

## Looking to cut emissions, Europe eyes a ‘sustainability’ tax on meat

BY  
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The war on meat has taken on renewed urgency in Europe under a controversial proposal to impose a steep "sustainability" tax on purchases of beef, pork and chicken.

The Amsterdam-based True Animal Protein Price (TAPP) Coalition, which brings together environmental, health and animal welfare groups, is lobbying

the European Commission on a [plan](#) to wean Europeans off their favorite chicken cutlets, meatballs and pork chops.

The hope is to drive meat consumption down by two-thirds—essentially by driving prices at the butcher up by around 40% to reflect the environmental cost of meat production—in a novel new effort to combat climate change.

The livestock sector accounts for 14.5% of greenhouse gas emissions caused by human activities—mainly because of cows belching methane, but also through the impact of feed production, manure storage and transportation of meat, according to the U.N. [Food and Agriculture](#) Organization.

Each year, a single cow will belch about 220 pounds of methane, a potent contributor (28 times more so than carbon dioxide, for example) to warming the atmosphere, according to Frank Mitloehner, a researcher at the [University of California Davis](#).

Jerome Remmers, the TAPP Coalition's director, told *Fortune* his proposal to raise meat prices would lower Europe's carbon dioxide emissions and "show the world that Europe really wants to do something about climate change."

TAPP, which presented its proposals at a breakfast event at the European Parliament in Brussels on Wednesday attended by several EU lawmakers, says the plan could also save cash-strapped national health care systems billions annually.

It argues that if the 450 million EU citizens were to eat less meat and replace it with more fruit and vegetables, their health would improve; Europeans eat roughly 50% more meat than is recommended in dietary health guidelines.

It would also reduce incentives for deforestation in countries such as Brazil, TAPP argues, where broad swathes of the [Amazon](#) rainforest have been cleared for cattle-ranching.

## **2050 emissions goal**

The EU will need a trillion euros (\$1.1 trillion) of public and private investment over the next decade to pay for its plan to cut net carbon dioxide emissions to zero by 2050. A meat tax could be one way to raise some of that cash, the group says.

Combating global warming is a top priority for Ursula Von der Leyen, the new German head of the EU's executive Commission, who launched the "[Green Deal](#)" in December to chart a way forward to the 2050 goal.

The proposed meat tax was sharply criticised by the group representing farmers in Britain, the National Farmers' Union, which called it a "regressive approach to dealing with environmental and health issues."

Although Britain is, as of last week, no longer a member of the EU, British, American and other meat exporters could be affected if the proposed measure went into effect in Europe because the tax would also apply to meat imported into Europe.

"Beef production in Western Europe is currently 2.5 times more efficient in managing carbon emissions than the global average, and government should be positively encouraging this rather than penalising efficiency and productivity in farm businesses," said NFU Vice President Stuart Roberts in comments emailed to *Fortune*.

"A tax on meat would also hit the poorest areas of society the hardest, and potentially subject those who already struggle with a poor diet to further challenges in accessing essential nutrients," he said.

TAPP wants European countries to raise the price of beef, pork and chicken by 30-40% in stages over the next decade to bring it up to a "fair meat price" that it says reflects the livestock industry's true cost to the planet, including air pollution and loss of biodiversity.

## **Billions in taxes raised**

TAPP proposes that the 27 EU countries start by putting a minimum tax on meat of one-euro-per-kilogram (50 cents per pound) between 2023 and 2025.

By 2030, the proposed meat tax would rise to 4.77 euros (\$5.25) per kg for beef or veal, 3.61 euros/kg for pork and 1.73 euros/kg for chicken.

This tax would reduce beef consumption in the EU by 67% by 2030. It would also take pork consumption down by 57% and chicken by 30%, TAPP estimates, based on a study it commissioned from research group [CE Delft](#).

Such a move, it contends, would cut Europe's carbon dioxide emissions by up to 120 million tons a year, nearly 3% of all EU greenhouse gas emissions.

The proposed meat tax would raise 32 billion euros (\$35 billion) a year in revenue for EU governments. TAPP suggests the proceeds be spent on compensating low-income households that might struggle to pay the higher meat prices. They also suggest offering these groups subsidies for buying

fruits and vegetables, and offering payments to farmers. A percentage of proceeds could also go towards the expansion of nature reserves and forests.

Foreign farmers exporting meat to the EU would not escape the tax under the proposal.

To prevent meat produced in countries without an environmental tax having a competitive advantage, TAPP proposes taxing this meat when it enters the EU, a policy which, if implemented, would likely cause friction with trading partners. The U.S. Commerce Secretary, Wilbur Ross, has already made it clear that the Trump Administration would [retaliate](#) against any EU carbon tax if it introduces new costs on American exporters.

## "Close to zero"

Bas Eickhout, a Dutch Green member of the European Parliament, who chaired the event at the parliament in Brussels yesterday—on the menu was a meat-free breakfast of fruit, yoghurt, bread and jam—said he backed the idea of an extra charge on meat because “there are significant external costs to meat which are not reflected in the price.”

“Reducing meat consumption is an indispensable part of fighting climate change and biodiversity loss,” he said in comments emailed to *Fortune*.

He admitted that an EU-wide meat tax being approved any time soon were “close to zero, if not zero” because EU tax measures require the unanimous approval of member states. But he said he hoped to see individual EU countries move ahead soon along such lines. “We can't wait for it to happen in the EU as a whole,” he said.

A spokeswoman for the European Commission, the body responsible for proposing EU-wide legislation, told *Fortune* on Thursday that the Commission “has no intention for the time being of proposing a harmonized meat tax at EU level.” However, the EU has no ability to block such levies on the individual member state level.

A source in the European People's Party, the centre-right group that is the largest group in the European Parliament, said he was not aware of any talks in the parliament on a European-wide meat tax. As tax measures were under the control of the EU member states “these ideas wouldn't fly for long,” the source predicted, adding: “We are also facing other environmental demands that may affect the income of farmers. An extra burden on top of those could bring many farms down.”

There has already been talk in some EU countries of introducing a meat tax. A politician from Germany's Greens party last year suggested raising sales tax on meat to help tackle climate change. And in 2016, a Danish thinktank, the [Danish Council on Ethics](#), recommended a similar tax on beef to lessen its climate impact.

In 2017, FAIRR (Farm Animal Investment Risk & Return), an investor forum that aims to raise awareness on the impact that factory farming and poor animal welfare can have on investment portfolios, said it was becoming "[increasingly probable](#)" that the Paris agreement on climate change would lead some governments to tax meat in the same way many now tax sugar, carbon and tobacco.