



PRESS CONFERENCE

Realising 2030-2040 climate goals with fiscal incentives for agri-food - with public support, without harming low income groups

TAPP Coalition
COP28 Dubai

5 December 2023



Meat taxes in Europe can be designed to avoid overburdening low-income consumers

Received: 8 December 2022

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TRUE ANIMAL PROTEIN PRICE COALITION

Who are we?

- 60+ partners in the TAPP coalition with various backgrounds.
- Representing over 0,6 million EU citizens.
- Partners in USA and EU countries.
- Over 5000 companies & ngo's in > 100 countries supported our carbon pricing food campaign in 2021.



JEROOM REMMERS
Director TAPP Coalition



What do we do?

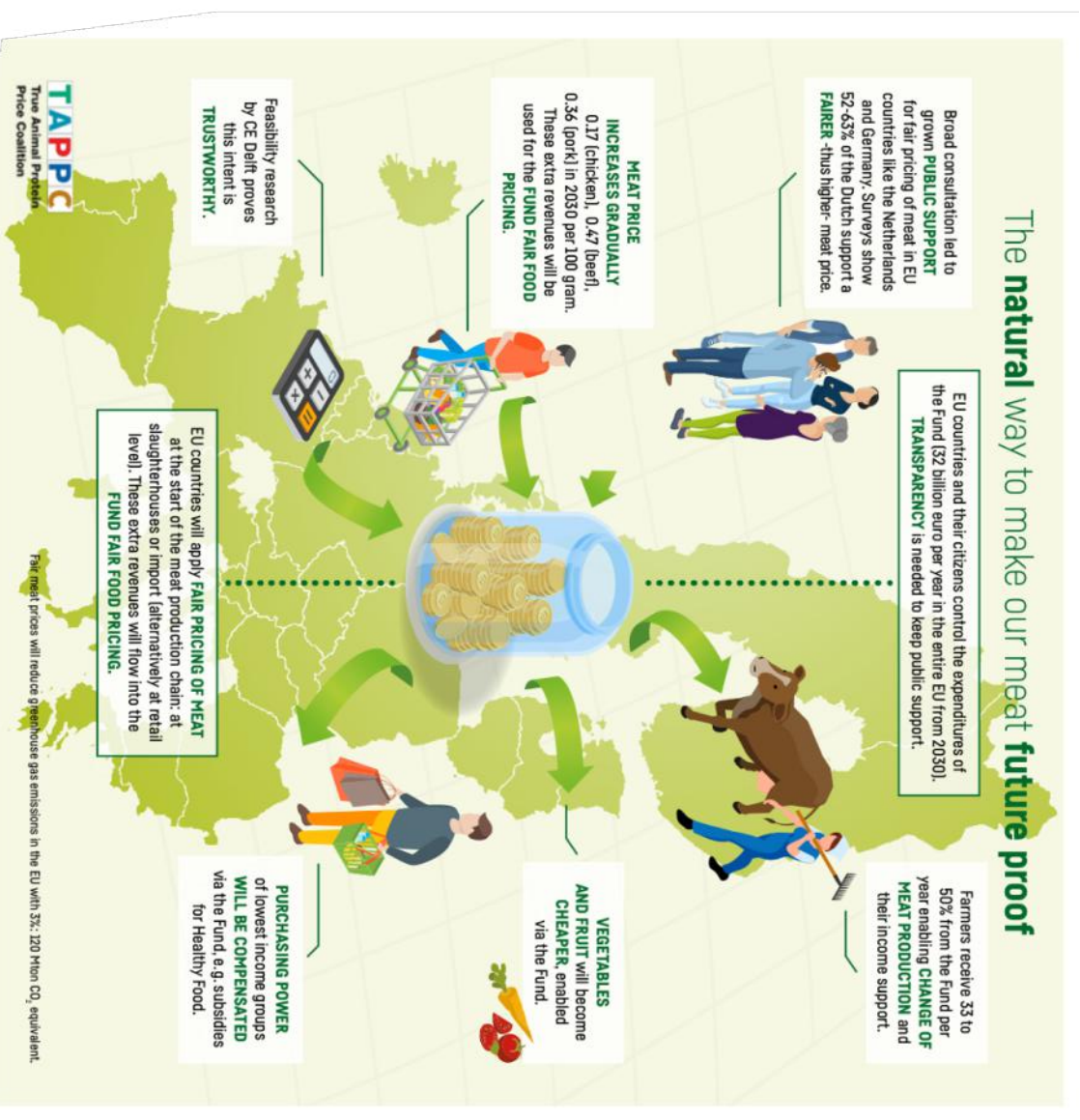
- **Reports on true pricing/fiscal incentives.**
- **Policy advocacy in EU.**
- **Global and consumer campaigns.**
- **Projects with higher meat prices.**



TAPP'S DUTCH SUCCESS STORY

FAIR PRICES FOR MEAT

https://www.youtube.com/watch?v=111_zrccGnM



IPSOS CONSUMER SURVEY

&

CE DELFT RESEARCH



- **60% (EU) agree with true food pricing.**
- **CE Delft proved feasibility.**
- **EU Parliament supports VAT-reform .**
- **Support from important EU Member States too.**

What are we waiting for?



CE Delft report

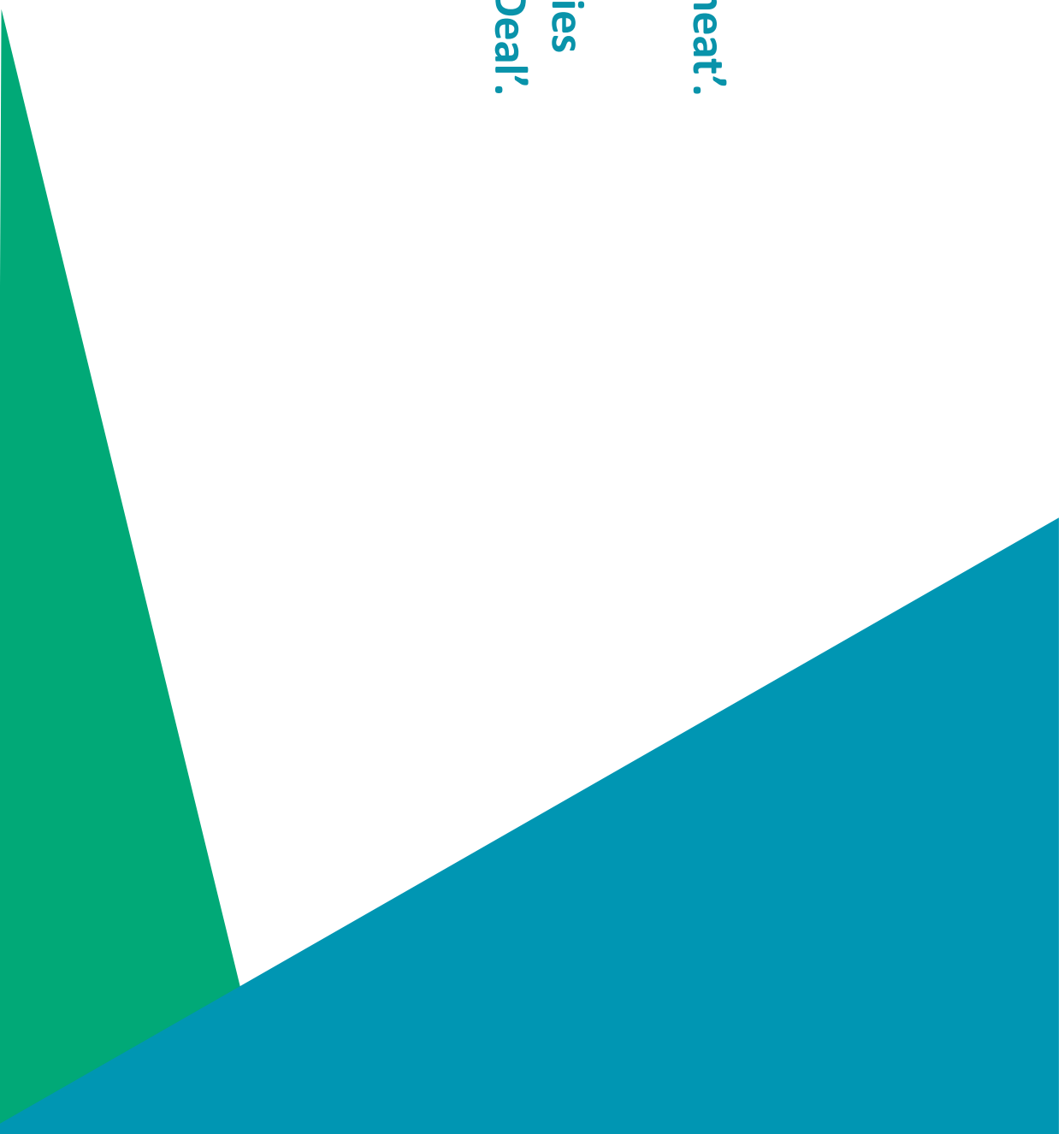
- **'Sustainability charge on meat'.**

TAPP report

- **'Aligning food pricing policies with the European Green Deal'.**

EU Parliament

- **5th Feb 2022.**



OUR FOOD DOES NOT INCLUDE ALL COSTS

Accessible unhealthy food leads to:

- **Negative effects for environment;**
- **Bad health population;**
- **High health costs government;**
- **Agri-pollution.**

TRUE PRICING

0% VAT on healthy, sustainable food

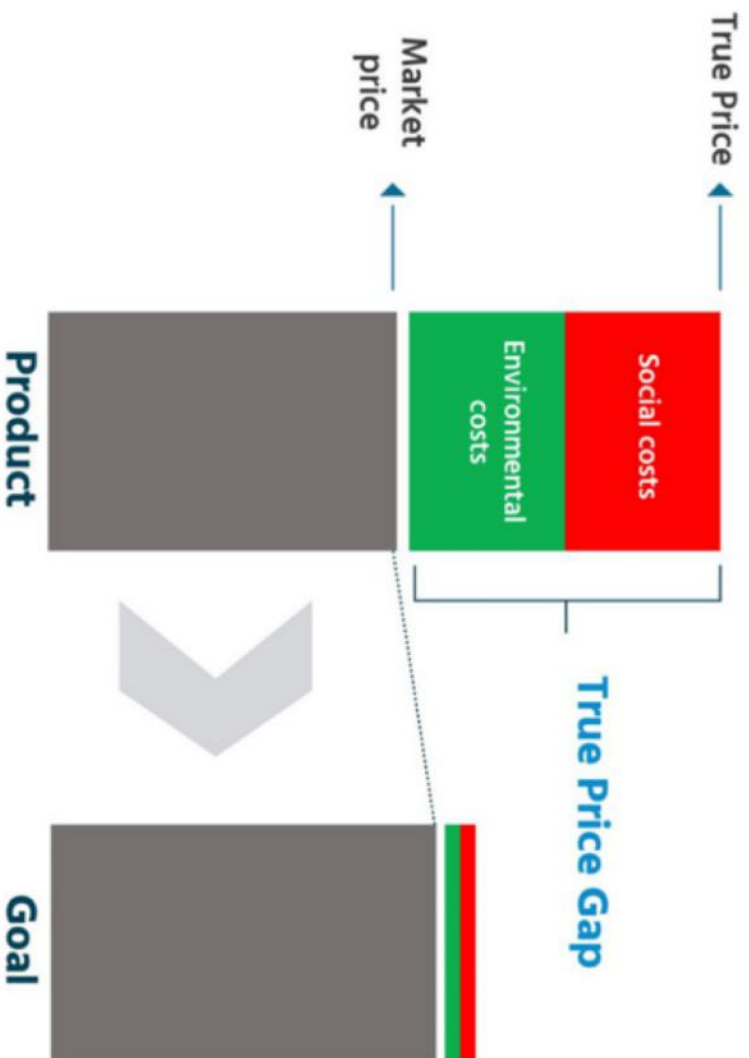
Higher VAT on unhealthy, non sustainable food

Leads to:

- **Better health population;**
- **Lower health costs government;**
- **Less agri-pollution.**

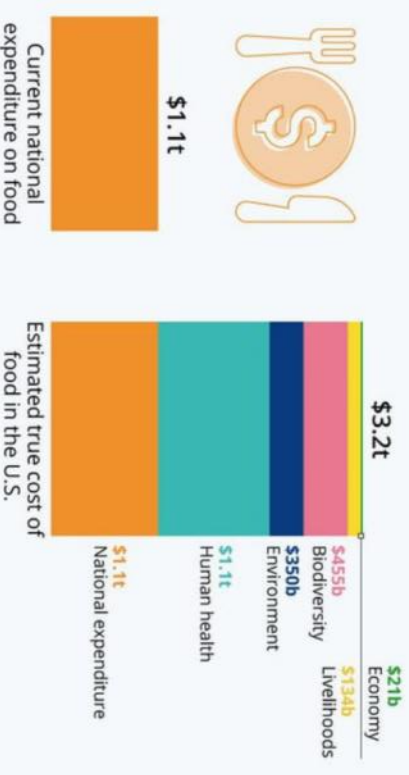


FOOD PRICES DO NOT REFLECT ALL PRODUCTION COSTS



The True Cost Of Food Is Three Times What Americans Pay For it

National annual U.S. food expenditure and its estimated true cost as of 2021*



* True cost includes hidden factors such as health, environmental and economic impact of the U.S. food system.

Source: The Rockefeller Foundation

EU Farm to Fork Strategy – EU Green Deal



- **Tax incentives should drive transition to sustainable food system.**
- **EU tax systems should ensure food prices reflect the true costs.**
- **Avoid low meat price → code of conduct → legislation.**
- **EU Code of Conduct evaluation.**



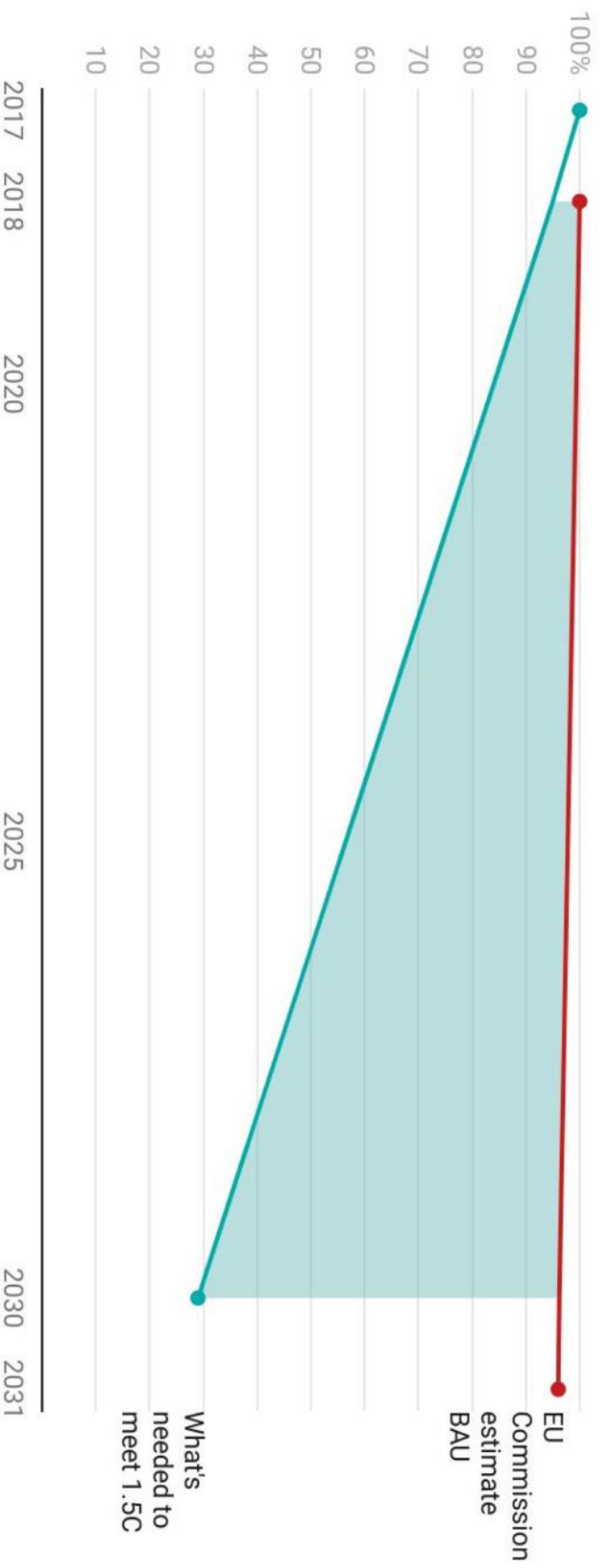
MAJORITY EU PARLIAMENT: REFORM VAT ON FOOD

- **0% VAT healthy/sustainable food.**
- **Increase VAT food which negatively impacts health/environment .**

Amendment 27, Farm to Fork Strategy 2021

EU meat consumption reduction - 14-year period

EU Commission estimate based on BAU scenario (-4% between 2018-2031) vs. reduction rate needed to meet 1.5C (-71% between 2017-2030)



Source: Madre Brava based on Eurostat and Greenpeace data • Created with Datawrapper

*Germany, France &
The Netherlands*

60% of EU consumers agree on a VAT reform:

- *Netherlands: 57%*
- *France: 65%*
- *Germany: 58%*

Majority agrees with:

- 0% VAT on healthy or sustainable food.
- 15% VAT increase conventional meat + sugary drinks.

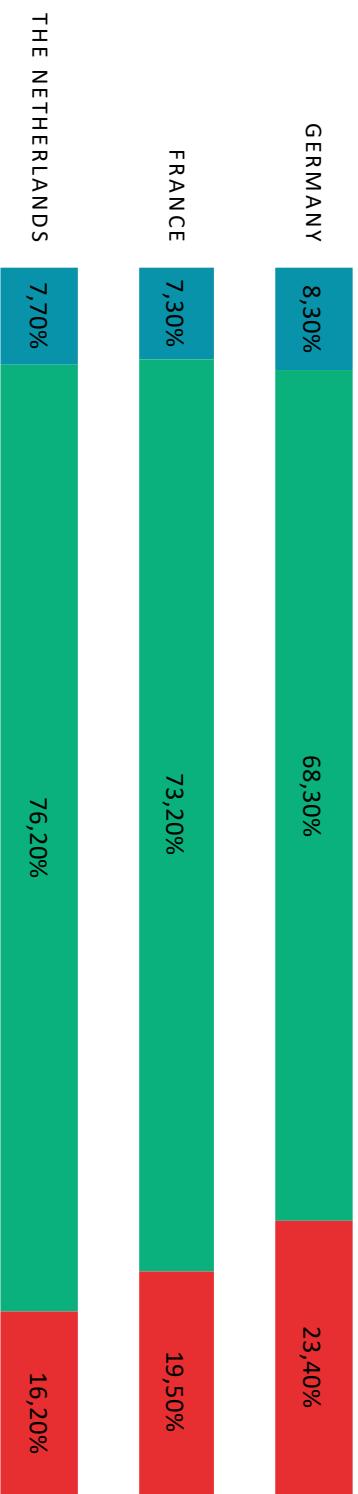


SUPPORT TAPP COALITION PROPOSAL

- **57-81% support for:**
 - **True meat price;**
 - **0% VAT on healthy and sustainable food products;**
 - **Extra payments to farmers ;**
 - **Compensation for low-income groups.**
- **Similar results from DVJ insights survey and EU Barometer.**

POLLUTERS PAY PRINCIPLE

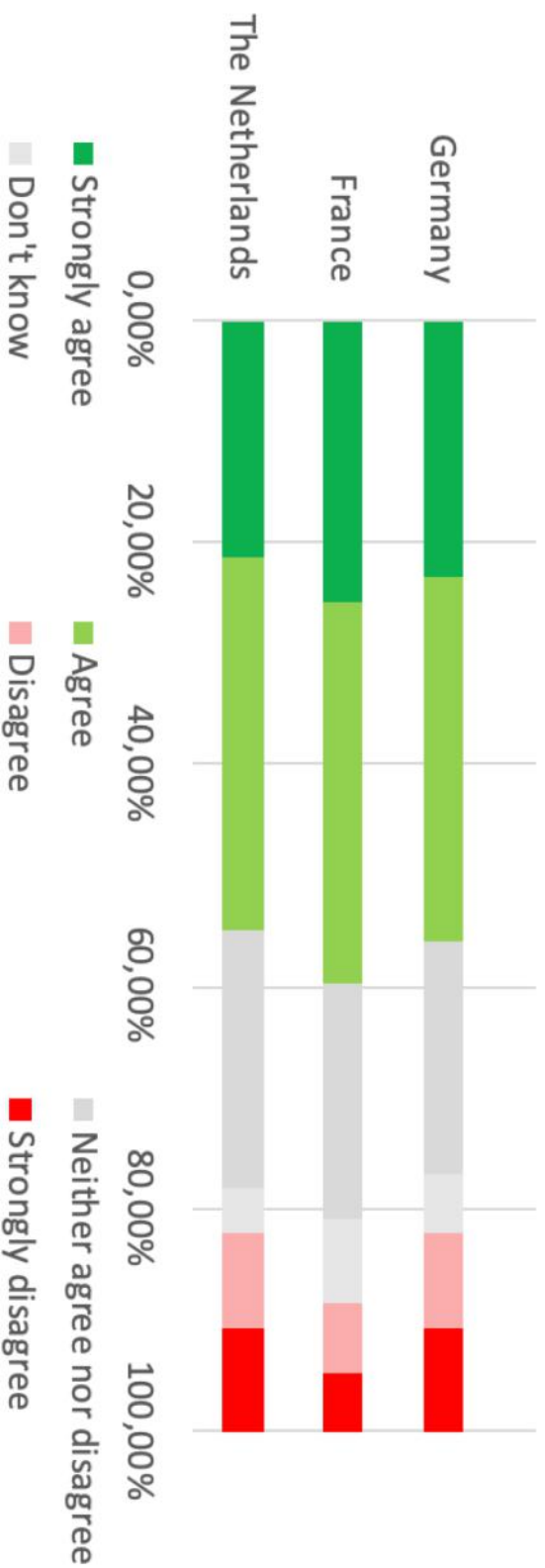
70-75% prefer supermarkets/consumers pay GHG tax



■ Let farmers pay

■ Let supermarkets/consumers pay

10% LOWER EXPENDITURES ON FOOD (€ 250/YEAR)



0% VAT fruit, vegetables, bread, grain products, coffee, tea, organic and fair trade food, meat/dairy substitutes.

Non-organic meat / dairy normal VAT rate.

Free food vouchers: € 15/month organic food, vegetables or fruit.

REPORT “PAY AS YOU EAT DAIRY, EGGS AND MEAT”

*Internalising external costs of
animal food products in
France, Germany and EU27*



Data provided by
Ecologic and I4C

MAIN RESULTS: ENVIRONMENTAL IMPACT

1. Determine % price increase for environmental costs.
2. Consumer's response to price increase: Price elasticities.
3. Calculate reduction in consumption.



MAIN RESULTS: 3 POLICY OPTIONS

1. **Excise levy, based on external costs.**
2. **VAT increase.**
3. **ETS livestock: Emissions trading system GHG-emissions.**



MAIN RESULTS: EXTERNAL COSTS (€/KG)

Table 1 - External cost estimates for meat, eggs, milk and cheese in EU27 (€/kg, conventional farming)

Impact category	Unit	Beef Beef cattle (incl. veal)	Beef Dairy cattle	Pork	Chicken	Eggs	Milk	Cheese (Gouda)
Particulate matter formation	€/kg	3.66	0.74	0.56	0.39	0.33	0.11	0.88
Climate change	€/kg	2.38	0.63	0.47	0.44	0.23	0.10	0.76
Marine eutrophication	€/kg	1.61	0.28	0.13	0.07	0.06	0.04	0.33
Terrestrial acidification and eutrophication	€/kg	1.18	0.23	0.17	0.09	0.08	0.04	0.28
Agricultural land occupation	€/kg	0.65	0.13	0.16	0.10	0.07	0.02	0.16
Terrestrial ecotoxicity	€/kg	0.49	0.18	0.37	0.32	0.25	0.03	0.21
Human toxicity	€/kg	0.13	0.03	0.03	0.02	0.01	0.00	0.03
Total	€/kg	10.15	2.24	1.91	1.44	1.03	0.34	2.68

~35%

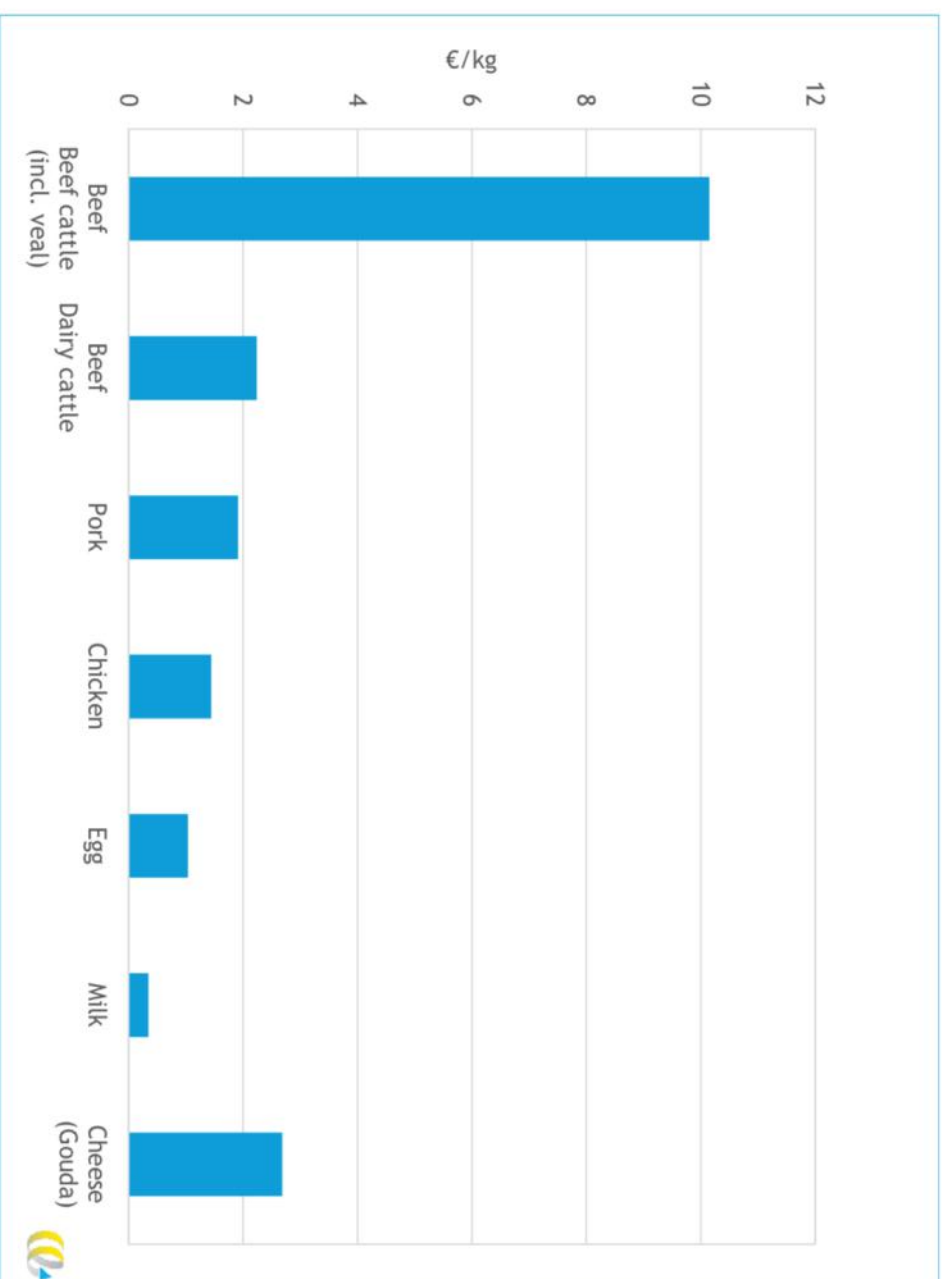
~20%

~10-15%

Beef from dairy cattle: ~ 20%

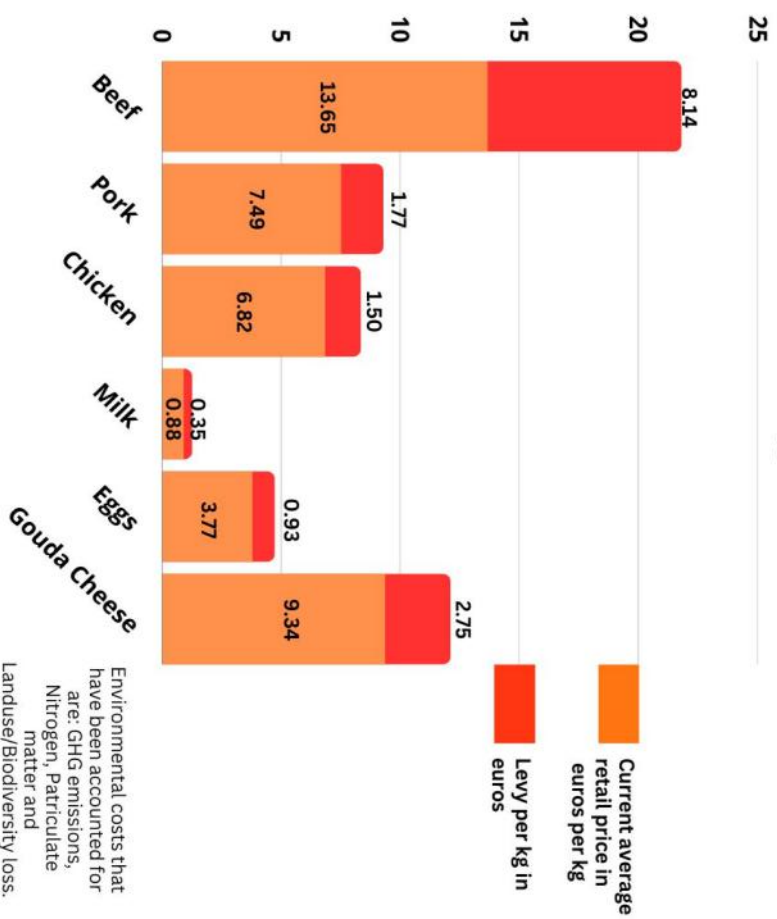


Figure 2 - Total external costs of conventional meat, eggs, milk and cheese in EU27 (€²⁰²¹/kg)





Price increase (%) when full external environmental costs are included in prices of meat, dairy and eggs



Environmental costs that have been accounted for are: GHG emissions, Nitrogen, Particulate matter and Landuse/Biodiversity loss.

LOWER VAT TARIFF MEAT/DAIRY = ENVIRONMENTALLY HARMFUL SUBSIDY

- Phasing out harmful subsidies: EU Roadmap Resource Efficiency.
- Bulgaria, Denmark, 3 Baltic States: normal VAT rate meat/dairy eg. 25% VAT Denmark.

Table 8 - Existing VAT rates in EU member states for meat and dairy compared to standard VAT rates

Member state	Code	Meat	Milk/dairy	Standard
Austria	AT	10%	10%	20%
Belgium	BE	6%	6%	21%
Bulgaria	BG	20%	20%	20%
Croatia*	HR	13%	13%	25%
Cyprus	CY	5%	5%	19%
Czech Republic	CZ	15%	15%	21%
Denmark	DK	25%	25%	25%
Estonia	EE	20%	20%	20%
Finland	FI	14%	14%	24%
France	FR	5.5%	5.5%	20%
Germany	DE	7%	7%	19%
Greece	EL	13%	13%	24%
Hungary	HU	5%	5%	27%
Ireland	IE	0%	0%	23%
Spain	ES	10%	4%	21%
Sweden	SE	12%	12%	25%
Population weighted average ^	EU27	7.8%	7.2%	21.1%



RESULTS VAT INCREASE

After VAT raise, internalisation rates 3 times higher.

EU meat consumption - 6 kg per capita.

- 10% beef consumption; pork/poultry - 8%.



VAT revenues
increase

€ 19.3 bln



External costs
decrease

€ 8.3 bln



VAT revenue
recycling



Food vouchers



Big CO2
reduction

EU ETS FOR MEAT AND DAIRY FACTORIES

- New EU report 13th Nov 2023: **Study on options for mitigating climate change in agriculture by putting a price on emissions and rewarding carbon farming**
- Easier if **slaughterhouses/dairy or retail regulated**.
- GHG emission per type of animal.
- Differentiation conventional/ organic farming.

Concerns:

- CAP reforms (agri-subsidies) more effective?
- Long lead times & monitoring.
- External cost coverage limited.
- Increasing food prices?

VAT INCREASE

**High VAT on meat & dairy, 0% VAT
vegetables, fruit, cereals, bread.**

	€/cap/a
Austria	-41.7 €
Belgium	-32.5 €
Germany	-29.8 €
Netherlands	-48.1 €
Poland	-14.9 €

→ Food overall 10% cheaper is possible.

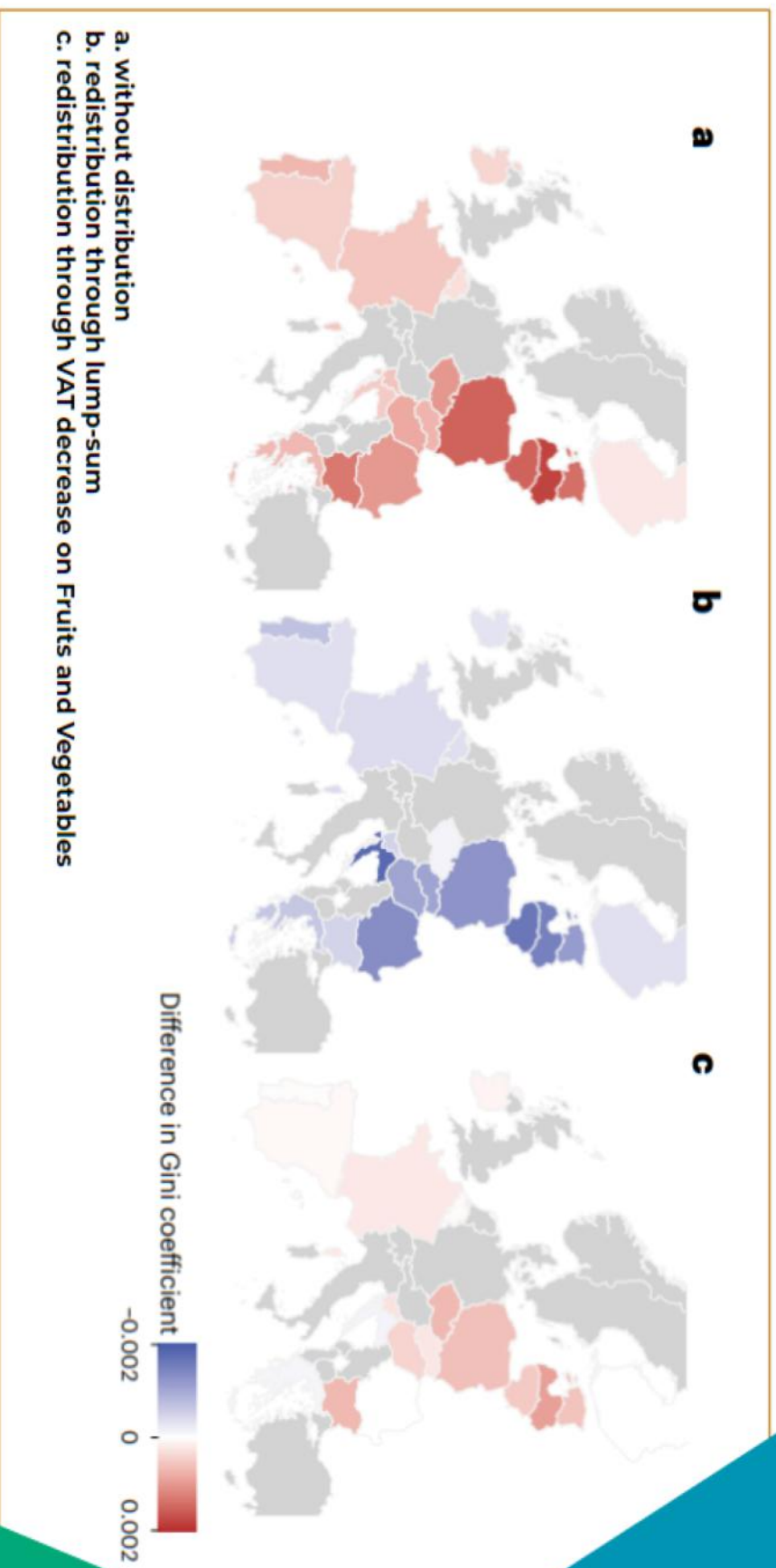
VAT revenues on meat can be recycled, given back to consumers to reduce prices for healthy food

Food Vouchers up to 69 euro/capita in France, or 0% VAT on vegetables/fruit

Table 14 - Recycling VAT revenues on meat products through vouchers for each member state

Member state	Additional VAT revenue (€ mln)	Voucher per person (€/capita)
Austria	308	35
Belgium	424	37
Bulgaria	0	0
Croatia	120	30
Cyprus	21	23
Czech Republic	163	15
Denmark	0	0
Estonia	0	0
Finland	161	29
France	4,660	69
Germany	2,538	31
Greece	251	23
Hungary	539	55
Ireland	261	53
Italy	3,607	60
Latvia	0	0
Lithuania	0	0
Luxembourg	29	46
Malta	-	-
Netherlands	808	46
Poland	1,706	45
Portugal	606	59
Romania	329	17
Slovakia	107	20
Member state	Additional VAT revenue (€ mln)	Voucher per person (€/capita)
Slovenia	69	33
Spain	2,043	43
Sweden	564	55

VAT Increase Effect on Inequality



Sources:

Klener, D., Funke, F. & Cai, M. Meat taxes in Europe can be designed to avoid overburdening low-income consumers. *Nat Food* 4, 894–901 (2023). <https://doi.org/10.1038/s43016-023-00849-z>



TRUE ANIMAL PROTEIN PRICE COALITION

COP28 DECLARATIONS ON AGRICULTURE, HEALTH & CLIMATE



Less meat & dairy (IPCC); more plant-based



80% GHG-emissions from food



UN Secretary-General

**“We are on a
highway to
climate hell”**

GHG emission taxes on food (IPCC, CRFS Alliance)



TOP 5 PRIORITIES 2030

Priority 1: Green taxation breakthrough

- **Encourage 0% VAT for healthy and sustainable food.**
- **Highest VAT rate for food with negative impacts.**
- **Switch to qualified majority voting on green tax issues.**

Priority 2: Polluter Pays Principle

- **PPP in agri & food policies climate/pollution.**
- **Farmers, food companies or supermarkets should pay for GHG-emissions (ca. 90 euro/ton): ETS for Agri-Food**
- **Increase EU import taxes on meat, dairy, soy.**

PRIORITY 3: A FAIR FOOD TRANSITION

- **Social Food & Climate Fund**
- **Healthy Food Credit Cards**
- **Subsidies for vegetables, fruit, plantbased meat, organic food**

PRIORITY 4: LEGISLATION & PUBLIC PROCUREMENT – TRUE PRICING

'True pricing' requirements' in quotes, true price calculations environmental criteria; bid with the lowest 'true price' wins.

Requirements for buying a fixed % organic food (eg. 30% by 2030), a max. % red/processed meat (eg max 10%); 50% climate neutral food.

Legislation for processed meats to mix 30% plant based proteins

PRIORITY 5: PROMOTION & MARKETING

Promotion campaign warning for negative impacts, about true prices of (animal) food & promoting healthy food.

- EU legislation to end low meat price marketing.
- EU restrictions advertising & promotion subsidies.
- Environment label Planet-Score.



GOALS FOR 1,5 DEGREES C.

- **Cut EU consumption animal proteins 30% by 2030.**
- **Cut GHG-emissions food systems 60% by 2030.**
- **Targets for MS to rebalance dietary patterns.**
- **44% plant-based versus 56% animal-sourced proteins to: 61% plant-based; 39% animal-sourced in 2030.**



SUMMARY

- **60% W-Europeans agree pricing meat/dairy with 0% VAT healthy food/plant-based.**
- **CE Delft showed feasibility, solving problems.**



WHAT ARE WE WAITING FOR?

- EU Parliament already supported VAT-reform.
- Support from important Member States too.
- Now you know how; why consumers support it.

<https://tappcoalition.eu>

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THANKS FOR YOUR ATTENTION!

Questions?

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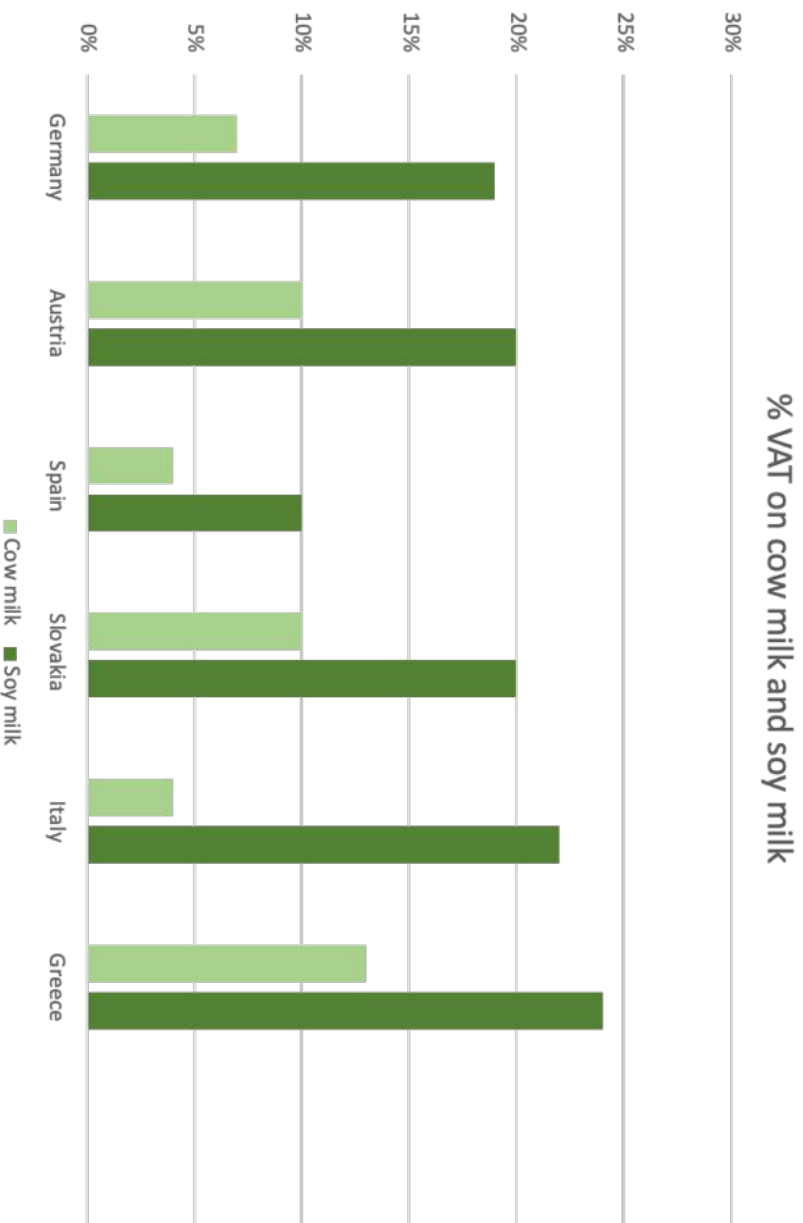
<https://tappcoalition.eu>

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MORE SUSTAINABLE... BUT HIGHER TAXES



Organic dairy & beef: 14-18% lower environmental costs compared to conventional beef/dairy

Table 5 - External costs of conventional and organic animal agriculture in EU27 per kg

System	Beef Beef cattle (incl. veal)	Beef Dairy cattle	Pork	Chicken	Eggs	Milk	Cheese (Gouda)
Conventional	€ 10.15	€ 2.24	€ 1.91	€ 1.44	€ 1.03	€ 0.34	€ 2.68
Organic	€ 8.41	€ 1.85	€ 1.97	€ 1.74	€ 1.07	€ 0.30	€ 2.32
Difference	-17%	-18%	3%	21%	4%	-14%	-14%

Remark CE Delft: LCA methods not fit to calculate exact biodiversity and animal welfare benefits organic food / meat

MAIN CHARACTERISTICS, SCORE ON IMPORTANT ISSUES:

Table 16 - Tentative Scores of policy instruments to internalise external costs of meat, dairy and eggs

Issues/Instruments	Excise levy			VAT increase		ETS	
	Consumer level	Slaughterhouses, dairy factories and importers	Farm level	Consumer level	Farm level	Slaughterhouse Dairy factories	
EU wide policy measure	-	-	-	0	+	+	
Options for individual MS	+	+	+	++	0	0	
Possibility to include all external costs	++	++	++	-	-	0	
Possibility to differentiate towards production methods	-/0	-/0	+	-/0	-/0	-/0	
Prevention from carbon leakage without CBAM	++	-	-	++	-	-	
Environmental impacts	+	+	+ / ++	+	+	+	
Low administrative burdens	+	+	-	++			
Low implementation costs of governments	+	-/0	-	++	-	-/0	

Note: Scores indicate the indicatively assessed relative performance of the policy instrument, so - = bad performance, 0 = modest, += good, ++=very good.