

EU tax on unsustainable meat could raise €32 billion per year, new report finds

A non-profit organisation has called for environmental and social costs to be included in meat prices

This article is powered by Agra Europe

05 Feb 2020 | **NEWS**

by Steve Gillman | @SFGillman

A “sustainability charge” on meat products could help generate €32 billion in revenue for EU member states and give the bloc’s farmers more money for environmentally friendly-food production, a new report has claimed.



On February 5, the True Animal Protein Prices (TAPP) Coalition, comprised of farming, health, food and environment organisations, examined how to align the meat industry with the European Green Deal, the Commission’s strategy to make the EU climate neutral by 2050.

Speaking at the launch of their findings in the European Parliament, Jeroom Remmers, TAPP’s director, said global meat and dairy consumption will use the world’s entire greenhouse gas emissions budget by 2050 if it continues on its current path.

“Europeans eat roughly 50% more meat than is recommended,” Remmers said, adding that 80% of land is used for animal feed, which is driving up emissions, pollution and biodiversity loss.

Using FAO data on EU meat consumption, TAPP’s report found that taxes increasing the price of beef by 47 cent per 100 gram, 36 cent per 100 gram pork, and 17 cent per 100 gram chicken could reduce consumption within ten years by 67%, 57% and 30%, respectively.

The report proposes to gradually increases the tax from 10% of total environmental and social costs in 2021 to full coverage by 2030. For beef, this would eventually see a €4.77 price increase per kilogram of meat sold

in supermarkets by the end of the decade.

TIPP estimates that this would generate total revenue of €32.2 billion a year, which they said should be used by policymakers to shift the entire European food system towards more sustainable production.

They recommend using 31-46% of the funds to help farmers grow food in a more environmentally-friendly way, 22-36% for cheaper vegetables and fruits (22-36%), 19% to compensate low-income households who may not be able to afford more expensive animal products, and 12% for developing countries where most new meat demand will come from.

Mixed feelings from member states

Remmers explained that member states have the authority to implement such taxes. Based on the TAPP proposals, the Dutch Cabinet will soon present a proposal for fair meat prices in the country's parliament this year.

The situation is less clear for other member states, but Remmers thinks the plans in the Netherlands should give the EU a reason to harmonise meat prices. He said that if the Commission does nothing, the single market risks price differences across member states, creating unfair competition between different livestock producing regions.

Remmers believes the EU should therefore support a "sustainability charge" by proposing minimum prices on meat. In the meantime, he calls on the EU to redirect current EU farming subsidies away from unsustainable livestock production.

Too soon to tax?

Academic and social momentum to introduce some sort of tax on unsustainable animal products is growing, but it may be too soon to translate this into concrete proposals at the EU-level.

Dutch MEP Bas Eickhout, leader of the European Greens in the Parliament, told IHS Market that discussions on unsustainable meat are quickly shut down by the European Commission and the Council.

He said reports from organisations like TAPP help the Parliament advance discussions, but the topic of meat reduction is not getting very far in Brussel. Eickhout revealed some MEPs want the upcoming EU biodiversity strategy to have targets for organic farming, which could have restrictions on stocking densities of cattle on farmland, but he claims this idea is getting pushed back by other EU institutions.

Incentives for more sustainable livestock production will probably appear elsewhere. The Commission is generally focusing on using their proposed CAP reform to reward more environmentally friendly livestock production.

The upcoming Farm-to-Fork strategy is also looking to drive demand for sustainable meat by changing consumer behaviour. It may also lead to new food labelling that reflects the social and environmental cost of products.

A representative from Copa-Cogeca, the EU's farming association, supported the Commission's approach and challenged the idea of a meat tax since the EU environmental standards are already some of the highest in the world. He also questioned what would happen to the biodiversity that depends on livestock production and the farmers in these pasture lands.

Remmers said a "sustainability charge" is not looking to punish farmers, it is about getting them a fair price since it would pay them on top of CAP subsidies, which is important since they are not getting the support from elsewhere.

"Consumers want to have the low prices and supermarkets stimulate the race to the bottom," he said. "The government has to step up."

