TAPPC
TRUE ANIMAL PROTEIN PRICE COALITION

True prices for meat and dairy

Concerning: New Ideas for EU Own Resources from Agri-Trade – Council Meeting 20-21 March

Dear Heads of State and Government,

You are meeting in Brussels on 20 & 21 March and are expected to discuss new ideas to raise EU own resources. The European Union faces a significant investment crisis. In his landmark report on competitiveness, Mario Draghi called for a substantial increase in public and private investment, urging the EU to allocate an additional €800 billion per year to address declining productivity and competitiveness. He stressed that the EU must match post-World War II investment levels, warning that Europe risks compromising its welfare, environment, and global standing without this unprecedented boost in spending. Another urgent need for finance is European Defense.

We must bridge this investment gap to protect Europe's safety, prosperity, global influence, and societal cohesion. This is an effort required today, but one we owe to future generations. Much of these investments are necessary to meet agreed-upon green and social objectives. The EU requires approximately €236 billion in additional public investment annually to achieve climate goals and €192 billion to meet social objectives. New tax revenues—whether at the national or EU level—are essential to building stronger, more resilient, and sustainable economies and societies. The European Commission's 2023 proposals for new own resources were valuable, yet they remain unapproved, despite the urgent need to replenish public funds. A modest EU-wide tax of just €1 per kg of meat and dairy exports and imports could generate at least €41 billion in own resources while also reducing greenhouse gas emissions. Beyond the European Commission's existing proposals, we urge EU governments to consider additional innovative measures in line with societal expectations. An increasing number of people in Europe struggle to make ends meet, and many justifiably reject the idea of bearing the financial burden of the green transition while major polluters evade responsibility. Therefore, we highlight five additional taxation options: **An EU Meat/Dairy Import and Export Tax, An Agri-Food ETS (ETS3), A Retail CO_2-eq Tax, an EU wide meat-tax and an EU Soy Import Tax.** Each of these options has the potential to generate between €11 billion and €51 billion in revenue. Further details are provided in the annex.

Now is the time for courage and decisive leadership in this extraordinarily challenging geopolitical context. We count on your determination and long-term vision.

Sincerely Yours,

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Annex: Five additional taxation options to consider in the debate on EU own resources

- **EU Meat/dairy import- and export tax**: the value of imports and exports to and from the EU of meat (beef, veal, pig, sheep, goat, poultry, eggs) and dairy were €43 billion in 2024 (January-October[1]); over a full year it would have been €51,6 billion. If a tax would be applied of only €1 per value import/export, it would **generate €43-51 billion in revenues** every year (without poultry/eggs: €7 billion/year less). An alternative could be to only tax meat with the highest climate footprints: beef, veal, sheep and goat. An import/export tax on those meat products of €2 per kg meat would generate a revenue of €15 billion every year. If pigmeat would be added to the list, another **€36 billion revenue** per year is added. Since the EU is importing not much meat, this tax would not have an impact on food prices. The EU is exporting quite a lot of pigmeat, poultry and dairy. An export tax would reduce profitability of exporting those products, with a lower production at EU level, however, with benefits for CO2 eq emission reduction. As a reaction, farmers will try to sell more 'premium' quality meat and dairy in their own country and at EU level, with higher margins (e.g. with higher animal welfare standards, local and organic foods etc.). Another option is to introduce an animal welfare import tax on meat, dairy and eggs, produced with lower animal welfare standards compared to those in the EU. Since the EU has the highest animal welfare standards in the world, it is likely that nearly all imports will be taxed. If this would be a tax of €1 per euro value of imports, tax revenue is: **€5,5 billion per year**.

- **Agri-Food ETS (ETS3):** In 2030, the EU Commission can decide to introduce an ETS for dairy companies and slaughterhouses with a CBAM EU import tax for meat and dairy[2]. From the start, it can be decided that 50% of revenues from auctions and CBAM can be used as EU own income, e.g. to be used to pay farmers and food companies subsidies to help them reduce emissions with innovations. If the CBAM import tax would be €2 per euro value of imported meat and dairy, it could **generate €11 billion** per year for instance, with billions of euros on top of it when auctions of CO2 eq. permits will start.

- **Retail CO2-eq tax**: this tax can apply for all (large) retail companies who have to report their CO2 equivalent emissions within the EU CSRD. The tax rate for instance can be €50 per ton CO2 or the equal average price for CO2 emissions in ETS1 (e.g. €80 per ton). The result will be that supermarkets will do their best to reduce their scope 3 emissions in the food chain, because scope 3 emissions are ca. 95% of their total scope 1, 2 and 3 emissions. From all scope 3 emissions, meat and dairy cause at least 50% of all emissions. Supermarkets will pay food companies and farmers a higher price for meat and dairy to become more climate neutral, trying to avoid paying the retail CO2-tax. Some emissions will however remain, so a stable source of own resources will stay. We expect large retail companies will have a CO2 footprint of at least 500 Mton CO2 eq. if a CO2 tax of €50 per ton would be charged, the revenue would be **€25 billion per year**.

- **EU wide meat tax**: in 2021 the EU-27 per capita meat consumption was 69,3 kg/year. With 514 million Europeans, EU wide taxes of just 1 euro per kg (10 eurocents/100 gram of meat) would generate **€36,5 billion per year**. Similar to an EU wide tax on plastic, a potential EU wide tax on meat is a strong green tax.
- **Soy import tax**: in the 2024 the EU imported nearly 5 million metric ton of soy, mainly from South and North America[3]. In the EU Vision on Agriculture and Food, published 19th February 2025, a strategy is described to reduce imports of animal feed like soy to the EU. A soy import tax is the best way to do so and this will help European farmers to produce (more) animal feed themselves. Soy in South America often is produced in regions where (tropical) forest used to be. Deforestation in South America (legal and illegal) is still a large problem, also increasing CO2 emissions globally and reducing biodiversity. An import tax of €4000 per metric ton of soy will generate **€20 billion per year**.

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[1] https://agriculture.ec.europa.eu/media/news/eu-agri-food-exports-and-imports-reached-record-levels-october-2024-2025-01-24_en
[2] https://tappcoalition.eu/nieuws/23381/agri-food-ets-conference-brussels---future-climate-action--benefits--risk---alternatives- and: https://tappcoalition.eu/images/Letter-to-Ursala-von-der-Leyen-European-Commissioners-EU-Parliament-final-version-23rd-April-with-additional-signatories-1738183161.pdf
[3] https://www.tridge.com/news/eu-soybean-imports-in-202425-up-7-through-no-vmvump#:~:text=The%20European%20Union%27s%20soybean%20imports%20for%20the%202024%2F25,contributing%20to%20nearly%20half%20of%20the%20total%20imports