



To: Members of the European Parliament

Topic: *Standard VAT rate on unhealthy food and food with a high environmental footprint, 0% VAT rate only for vegetables, fruits, plant-based proteins, and organic food*

Good afternoon,

I am contacting you on behalf of the True Animal Protein Price (TAPP) coalition. The TAPP Coalition is a European coalition of farmers, doctors, youth, food companies, environmental, health and animal welfare charities.

In March, a vote will be held on the proposal to allow a 0% VAT rate to be implemented for specific environmental products, as agreed by the Finance Ministers on the 7th of December 2021¹. In reference to this vote, we kindly ask you:

- To agree with a 0% VAT rate for very specific food products only, including those with a low carbon footprint, such as fruits, vegetables, plant-based proteins, and organically labelled produce
- To only agree with a 0% VAT for environmentally friendly, sustainably produced food products. Specifically, we call for the standard VAT tariff on food in which its production has a harmful effect on the environment, such as meat. Meat production has considerable effect on climate change due to emissions of greenhouse gases (GHG) such as methane, nitrous oxide, and carbon dioxide.

Both aforementioned proposals are logical follow-ups based on the recent decisions made by the European Parliament. On the 16th of February, Members of the European Parliament adopted a report on reformed VAT measures. The report notes that in order to promote and sustain environmentally conscious consumption, Member States must phase out all 0% VAT rates, as well as any reduced rates that currently apply to goods and services with a harmful environmental impact.

¹ Economic and Financial Affairs Council, December 7th, 2021, [Main Results](#)

On the 19th of October 2021, a favoured majority vote in the European Parliament saw the adoption of Amendment 27 on food prices made to the Farm to Fork Strategy, with particular focus on Article 101 of the Amendment². As supported by majority vote in the European Parliament, Article 101 regarding food prices under the Farm to Fork Strategy states the following:

101. “Underlines that food prices must send the right signal to consumers; considers that true food prices, reflecting the true cost of production for farmers and also for the environment and society, are the most efficient way to achieve sustainable and equitable food systems in the long term; welcomes, therefore, the strategy’s objective to guide the food industry towards practices that make the healthy and sustainable choice the easy, accessible and affordable one for consumers; supports giving Member States more flexibility to differentiate the VAT rates on food with different health and environmental impacts, **and enable them to choose a zero VAT rate for healthy and sustainable food products such as fruits and vegetables**, as is already implemented in some Member States but not currently possible for all, **and a higher VAT rate on unhealthy food and food that has a high environmental footprint**”. (...)

Prior to the vote as per the 19th of October³, the TAPP Coalition and others called on members of the European Parliament (AGRI & ENVI Committee) to support Amendment 27 on Food Environment and Food Prices, from which we saw a strong level of support for ensuring a ‘true’ price for animal produce. This ‘true’ price is to be reflected by way of a higher VAT tariff, while produce such as fruit and vegetables are to enjoy a low level of VAT (0%), thereby encouraging greater consumption of healthier, sustainable food produce. The majority support shown for this amendment is strongly commended and we are thrilled to see that support is being shown for VAT reforms by way of increased VAT on unsustainable produce and decreased VAT on healthier, environmentally sustainably produced goods. We are now calling on the European Parliament, the European Commission, and specifically Ministers of Finance, to solidate that the VAT reduction rates are applied to healthier food products, including organic produce, while unsustainably produced meat and animal products be placed in the standard VAT rate tariff. This requires further discussion with the European Commission to ensure that standard VAT tariffs are applied to these goods.

² European Parliament resolution of 20 October 2021 on a farm to fork strategy for a fair, healthy and environmentally-friendly food system, [Text Document](#)

³ European Parliament (2021) [Vote on Amending the Farm to Fork Strategy](#)

Amendment 27 was accepted in favour by 94 members of parliament, specifically from AGRI & ENVI committees, which was over four times the 20 members who rejected the amendment in September 2021⁴. While favouring such amendment is a promising step, further action is required. It is not enough to declare support, but further communication with the European Commission and the Council is needed. Member States now must be at least strongly encouraged, if not obliged, to adopt a 0% VAT on fruits and vegetables, while increasing the VAT rate on harmful products, including meat and sugary products, such as beverages and highly processed foods. To combat the ever-pressing obesity crisis while simultaneously reducing the increasing healthcare costs, the World Bank asked governments to employ taxation measures as a fiscal tool in combatting these challenges⁵. Several studies have reported detrimental environmental effects of meat production, contributing to climate change through extortionate greenhouse gas (GHG) emissions, while the health implications of red and processed meat consumption have also been well documented. Thus, the benefit of further action is two-fold. A higher tax on negative externality-producing meat acts as a deterrent for overconsumption, while lowering taxes on healthier, sustainably produced foods, including organically farmed produce, encourages greater consumption of fruits and vegetables, thereby improving the economic as well as health performance of citizens across the EU. Taxing meat could be an effective tool in aligning Western diets with environmental and public health goals and can be designed such that low-income households and farmers are compensated⁶.

We ask for further communication on behalf of the European Parliament, specifically the Ministers of Finance, with the Commission and Member States to reform the VAT system for food products, promoting sustainable and healthy food as the most affordable option, instead of the most expensive one. A reform of VAT taxes on food products can both help to reduce food related greenhouse gas emissions (30% of all GHG-emissions), while improving diets and reducing obesity and health care costs. We agree with a reduction in VAT on food products (0%), but we urge finance ministers to ensure that the reduction is not on all food products. There would be positive knock-on effects for healthcare systems across member states, as pressures related to overconsumption of meat produce would be alleviated. A standard VAT tariff on meat would reflect the real costs of meat production, with the aim being a significant reduction of meat consumption. This in turn would result in fewer GHG emissions and limit

⁴ European Parliament (2021) [Press release on Amending the Farm to Fork Strategy](#)

⁵ World Bank (2020) [Obesity Health and Economic Consequences of an Impending Global Challenge](#)

⁶ University of Oxford (2022) [Taxing meat can Protect the Environment](#)

environmental degradation caused by animal agriculture. Governments could then use part of the revenues from such taxes to provide subsidies to those farming in accordance with high environmental standards and reduce GHG emissions.

We also wish to draw your attention to another amendment on the Farm to Fork Strategy made by the EU Parliament in a majority vote in art. 101: ***“Invites the Commission to launch a study to quantify in economic terms the environmental and societal costs, including health-related costs, associated with the production and consumption of the most consumed food products on the EU market”***. We suggest that you remind the European Commission of this request and ask for a publication date.

Finally, we would like to remind you of the growing numbers of support for a high VAT tariff for meat combined with a 0% VAT tariff for fruits and vegetables. This was shown by a recent representative consumer survey conducted DVJ Insights, commissioned by the TAPP Coalition in France, Germany, and the Netherlands⁷. In the Farm to Fork Strategy, it was argued that EU tax systems (ETS, VAT and import taxes) should reflect external costs of GHG emissions and pollution in food prices (e.g., meat and dairy). Coupled with the desire of many EU citizens, we urge you to take this into consideration when voting on reforming of the current VAT system in March 2022. In the Farm to Fork Strategy, the European Commission wrote that “tax incentives should also drive the transition to a sustainable food system and encourage consumers to choose sustainable and healthy diets. EU tax systems should also aim to ensure that the price of different foods reflects their real costs in terms of use of finite natural resources, pollution, GHG emissions and other environmental externalities”. By reforming the VAT system for food, you can make it happen!

Many thanks for your consideration, also on behalf of board members of the Climate Save Movement, BRIDGE2FOOD, Blue Horizon Corporation, Ecopreneur, Green REV Institute, Future Food 4 Climate, European Vegetarian Union, the French Vegetarian Union, Stowarzyszenie Wiosna Bez Barrier, Rodzice dla Klimatu, Roślinna Strona, Fundacja Szkatułka, ProVeg International, Fundacja Klub Myśli Ekologicznej, Stowarzyszenie MOST, Fundacja Aquila, Stowarzyszenie, Nasz Bóbr, Union Vegetariana Espanola

⁷ Survey on Support for a Meat Tax by DJV Insights (2021): [Survey Results](#)

Jeroom Remmers,

Director TAPP Coalition

<http://tappcoalition.eu>

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TAPP Coalition

