



# Incentives for the extension of carbon pricing to agricultural emissions

Views from Danish Agriculture & Food Council

## EU drivers

Ambitious reduction targets ahead,  
lack of recent reductions, agriculture  
only sector outside ETS



## National drivers

DAFC 2019: Net zero emissions from  
danish agriculture by 2050

Political agreement in parliament 2021:  
Emissions from agriculture reduced  
with 55-65 % by 2030

In pipeline: Tax on CO<sub>2</sub>-emissions  
from agriculture

# Thoughts on incentives and set-up (I)

## Positive incentives for farmers

- Rewarding farmers taking action – there must be an upside
- Ambitious, yet realistic reduction targets
  - Biological processes are different from most industries
  - Promoting development and not cuts in production! Remember global demands and risk of leakage.





# Thoughts on incentives and set-up (II)

## Advice and financial support is key

- Awareness and knowledge transfer must be supported – benefits for farmers in all member states
- The toolbox: Investments in research, development and implementation of new techniques / technologies is vital

# Thoughts on incentives and set-up (III)

## All farmers must join and contribute

- Most – and significant – benefits to the best farmers: Surplus of allowances (additional income) or less efforts in a period
- Effort sharing regulation holds no place in a future with heavy reduction targets
- EU farmers as drivers for global green transition

